FINANCIAL TIMES

Europe's Business Newspaper — FRIDAY JULY 8 1994 — D8523A

Hopes rise for end to Malaysia's ban on UK contracts

Malaysian prime minister Mohamad Mahathir (left) said in Paris his country's ban on government contracts with British companies would continue for the foreseeable future but only selectively. However, it is understood the Malaysian cabinet has agreed the ban on British companies could be lifted but the timing of the change has been left to Mr Mahathir. Page 14; Italy wins power deal, Page 4; Cinema joint venture for Wilton, Page 19

Swiss bribery scandal: Formal charges were laid against eight people, including a prominent magazine publisher said to have bribed a restaurant inspector, in Switzerland's most serious corruption scandal. Page 14

Italian sailors murdered: Seven Italian sailors were found killed in their cabins on board the Naples-based Lucina which was set to deliver a grain cargo in the port of Jijel, Algeria. Islamic fundamentalists, who have been targeting foreigners since last year, are believed to be responsible. Page 6

Ex-minister's evidence queried: Former trade and defence minister Lord Trefgarne had given "inaccurate" and "confused" evidence relating to the export of machine tools to Iraq, the Scott arms-for-Iraq inquiry was told. Page 7

Schroders, UK-based merchant bank, is paying $92m for the half of US-based investment bank Wertheim Schroder that it does not already control. Page 15; Lex, Page 14

Aden captured: North Yemeni forces appeared to have secured victory in the two-month-old civil war with the South after capturing Aden, the last main southern redoubt. Page 14; Causes of the war still fester, Page 4

Crédit Lyonnais, French state-owned bank, is set to sell a controlling stake in Fnac, France's leading books and music retailer which has a stock market capitalisation of about FFr3bn ($557m). Page 16; Lex, Page 14

Metallgesellschaft chief executive Kajo Neukirchen announced a boardroom change which seals his takeover at the troubled Frankfurt-based metals and trading group. Page 15

Japanese boost for BT: A joint venture of Nippon Telegraph and Telephone, largest Japanese telecommunications operator, will distribute international services for British Telecommunications and MCI, second-largest US long-distance carrier. Page 15; Lex, Page 14; Harsh words for German telecoms plan, Page 2

Warning from oil majors: Western oil companies, beset by difficulties in Russia, are warning they could scale back operations in the country or pull out completely. Page 3

Daimler-Benz is considering changing its dividend policy to come into line with what the group's finance director called "Anglo-American" practice. Page 15

Trump's Empire State deal: Casino operator and property developer Donald Trump announced he had entered a joint venture with a group of Asian and European investors who had acquired the Empire State Building in New York. Page 5

Bosnian government peace pledge: Leaders of Bosnia's Moslem-led government said they planned to accept a peace proposal backed by the international community and would overlook its shortcomings. UK peace role, Page 3

US healthcare reform: The Clinton administration and the Democratic party launched an all-out push to swing public support behind healthcare reform. Page 5

Army acts on oil strike: Nigeria's military government used troops to limit the effect of an oil workers' strike on supplies of fuel in the main cities. Page 4

Heart recipient dies: The world's longest-surviving heart transplant recipient, Dirk van Zyl, 68, who received a new heart in Cape Town 23 years ago, has died.

US firefighters killed: At least 12 firefighters died when they were overrun by a forest fire whipped up by high winds about 120 miles west of Denver, Colorado.

■ STOCK MARKET INDICES

FT-SE 100:	2,964.4	(+17.7)
Yield	4.17	
FT-SE Eurotrack 100	1,328.32	(+8.28)
FT-SE-A All-Share	1,483.05	(+0.5%)
Nikkei	20,620.02	(-8.01)
New York lunchtime:		
Dow Jones Ind Ave	3,687.45	(+12.95)
S&P Composite	447.96	(+1.83)

■ US LUNCHTIME RATES

Federal Funds:	$4\frac{3}{8}$%
3-mo Treas Bills: Yld	4.335%
Long Bond	$84\frac{7}{8}$
Yield	7.576%

■ LONDON MONEY

3-mo Interbank	$5\frac{1}{4}$%	(Same)
Liffe long gilt future:	Sep $100\frac{7}{32}$	(Sep $99\frac{1}{32}$)

■ NORTH SEA OIL (Argus)

Brent 15-day (Aug)	$17.11	(17.22)

■ GOLD

New York Comex (Aug)	$385.7	(384.6)
London	$384.2	(384.5)

■ STERLING

New York lunchtime:		
$	1.54185	
London:		
$	1.54	(1.5495)
DM	2.4246	(2.4303)
FFr	8.3368	(8.3425)
SFr	2.0429	(2.0436)
Y	152.478	(152.045)
£ Index	79.2	(79.4)

■ DOLLAR

New York lunchtime:		
DM	1.57295	
FFr	5.405	
SFr	1.324	
Y	98.755	
London:		
DM	1.5745	(1.5685)
FFr	5.4137	(5.384)
SFr	1.3266	(1.3189)
Y	99.015	(98.125)
$ Index	63.2	(63.0)
Tokyo close Y 99.05		

Austria	Sch32	Greece	Dr350	Lux	LFr65	Qatar	QR13.00
Bahrain	Din1.250	Hong Kong	HK$16	Malta	Lm0.60	S.Arabia	SR11
Belgium	BFr65	Hungary	Ft185	Morocco	MDh15	Singapore	S$4.30
Bulgaria	Lv25.00	Iceland	IKr215	Neth	Fl 4.00	Slovak Rp	KS50
Cyprus	C£1.10	India	Rs60	Nigeria	Naira50	South Africa	R12.00
Czech Rp	CZK50	Israel	Shk6.90	Norway	NKr17.00	Spain	Pta225
Denmark	DKr18	Italy	L3000	Oman	OR1.50	Sweden	SKr16
Egypt	E£5.00	Japan	Y500	Pakistan	Rs40	Switz	SFr3.30
Finland	FM14	Jordan	JD1.50	Philippines	Peso50	Syria	S£50.00
France	FFr8.50	Kuwait	Fils625	Poland	Zl 32,000	Tunisia	Din1.500
Germany	DM3.50	Lebanon	US$1.50	Portugal	Es225	Turkey	L30000
						UAE	Dh12.00

Senior Paris police replaced for bugging Socialists

By David Buchan in Paris

Mr Charles Pasqua, France's interior minister, yesterday replaced both the head of Paris police's political intelligence service and his subordinate who eavesdropped on a confidential meeting of the opposition Socialist party on June 19 when Mr Michel Rocard was ousted as party leader.

In what has inevitably been dubbed "Pasquagate", after the famous 1972 case of political bugging in the US, Mr Pasqua first brushed aside furious Socialist charges of "espionage" by telling the National Assembly on Wednesday that the eavesdropping was "an isolated, individual initiative" by a member of the Renseignements Généraux (RG).

But after the parliamentary leader of his own Gaullist RPR party also called the affair "a serious threat to democracy", Mr Pasqua announced he was moving the two RG policemen to other duties, before waiting for the conclusion of an internal inquiry.

MPs' sensitivity was already heightened by the revelation in this week's issue of the satirical newspaper, Le Canard Enchaîné, which also broke the Pasquagate story, that one of their number, Mr Bernard Tapie, the maverick businessman, had his telephone line bugged on a judge's order.

From this telephone-tapping the judge learned that Mr Tapie was planning a trip to Rwanda to avoid prosecution and had him hauled out of bed and charged last week. As a result, the National Assembly passed a bill early yesterday ordering judges to advise the speakers of the parliament's two chambers before tapping MPs' telephones.

Ironically, Pasquagate was leaked by members of the RG who disapproved of their colleague's action in installing himself in an empty translation booth and telephoning through news of Mr Rocard's problems to police headquarters.

The mission of the RG (literally, General Information) is to act as the "eyes and ears" of a French state, traditionally keen to control a society that often seems to take it by surprise. The activities of this plain-clothes force of some 3,800 range from serious intelligence work in anti-terrorism, to gathering information on leaders of political parties, companies, unions and the professions.

In the last week of any French election campaign, publication of regular opinion polls is forbidden. But everyone gossips about what the RG – which continues its inquiries right up to election day – is predicting.

"The government needs to know what is happening in the country," an Interior Ministry spokesman said yesterday, "and often we need information that is more precise than appears in the press."

The press, however, is one of the 12 areas on which Paris's 1,200 RG officers target their attention. The RG seeks, for instance, to find out what sensitive stories journalists might be working on, and there is always an RG employee waiting at print works to scoop up a first edition.

G7 partners cool over US idea for freer trade

By Peter Norman and Robert Graham in Naples

The US yesterday ran into opposition from its chief trading partners about suggestions to launch a new multilateral trade liberalisation effort at this year's world economic summit in Naples.

Clinton administration officials have put forward vague proposals that the Group of Seven countries – the US, Japan, Germany, France, Britain, Italy and Canada – together with the European Commission should take the initiative to further liberalise trade, especially in the telecommunications sector.

The idea from the US, which emphasised that the summit's agenda was still up for negotiation, is that the G7 should build upon the successful Uruguay Round trade negotiations completed earlier this year.

However, Mr Terusuke Terada, Japanese foreign ministry spokesman, yesterday said that Japan believed priority should be given to ratifying the Uruguay Round to ensure that it takes effect as planned at the start of 1995. That point was echoed by senior officials from the European Commission in Brussels.

As final preparations were under way for the economic summit which begins this evening, Japan appeared to water down the earlier suggestion of Mr Tomiichi Murayama, its recently appointed socialist prime minister, that the meeting should discuss the weakness of the dollar.

Mr Terada said that the summit was not really the place to discuss such a delicate question as currency fluctuations and this specific issue was not on the agenda. He did not exclude the possibility that currencies might be discussed by G7 leaders in the course of a general debate on the world economy.

The capacity of financial market turbulence to disrupt the plans of the G7 leaders for a harmonious summit was graphically illustrated yesterday when Mr Silvio Berlusconi, the Italian prime minister, was obliged to interrupt a press conference on the summit to deny market rumours that his economic team was resigning.

"I can categorically deny this fact. You know these rumours sweep the markets," Mr Berlusconi said.

He said that he would seek the endorsement of fellow leaders for the creation of an international task force to intervene in cases where human rights were being grossly abused, such as in Rwanda.

The idea has been coolly received in pre-summit discussions. But the Italian prime minister yesterday appeared determined to add this to an already crowded agenda.

The summit is due tomorrow to discuss economic questions such as getting the 35m unemployed in the industrialised world back to work, and safety measures for nuclear power stations in the Ukraine and other former Soviet republics.

Late tomorrow and on Sunday, the G7 leaders will be joined by Mr Boris Yeltsin, the Russian president.

The presidents of South Africa, Angola, Zaire and Mozambique held a peace summit yesterday in an effort to find a solution to the war in Angola. Meeting in Pretoria were (left to right) Jose Eduardo dos Santos of Angola, Nelson Mandela of South Africa, Mobutu Sese Seko of Zaire and Joaquim Chissano of Mozambique. Mandela said he was no longer pessimistic about ending the Angolan conflict, but added that the participation of Angola's Unita rebel leader, Jonas Savimbi, was crucial to an eventual settlement

Picture: Reuter

Research subsidy for German aerospace

By Quentin Peel in Bonn

The German government yesterday announced a new DM1.2bn ($800m) programme to subsidise research in its recession-hit aerospace industry, a decision intended to help the sector fight competition from the US and Japan.

The plan, announced by Mr Reinhard Göhner, parliamentary state secretary in the Economics Ministry, is supposed to provide indirect research subsidies and therefore not contravene Gatt rules banning direct subsidies.

"With this new programme, we are seeking to follow in the footsteps of both the US and Japan by using indirect support, in order not to unleash new competitive subsidies," he said.

"The aim is essentially to create the conditions for the German and European aerospace industry to maintain its international position, won not least thanks to state assistance."

The government will finance half the cost of the programme, to run from next year, with industry providing the other DM600m. It will focus on energy-saving and the reduction of noise and pollution for four sectors: large aircraft, engines, helicopters, and aircraft equipment. The programme was greeted in the German industry, which has axed thousands of jobs in the past year, as "a first step".

"At least the decision shows that the political establishment has finally recognised how important the highest technology is for Germany", said Mr Detmar Grosse-Leege, spokesman for Deutsche Aerospace, Daimler-Benz's aerospace subsidiary. He warned against any attempt to finance the civil aviation sector of the industry with cash from space research, however.

Continued on Page 14

Israel and PLO may hasten West Bank self-rule process

By Julian Ozanne in Jerusalem

Israel and the Palestine Liberation Organisation are to begin talks next week in Cairo about an accelerated extension of self-rule from Gaza-Jericho across the rest of the West Bank.

The agreement, announced in Paris yesterday, marks a critical step forward in the peace process and reflects the greater trust and confidence both sides have in each other following completion of the first phase: the implementation of self-rule in Gaza and Jericho.

However, Israel appears to have forced the PLO to accept a two-stage negotiating process for the West Bank – accelerated talks on the transfer of power, followed by discussions about redeployment of Israeli forces – rather than the single-stage process demanded by Mr Yassir Arafat, PLO chairman.

Mr Arafat wants the process speeded up significantly in order to allow the PLO to take control of the West Bank in advance of Palestinian national elections on October 15. He appears determined to hold quick polls to confound critics who say he is undemocratic and afraid of elections.

Israel favours a more cautious and slower approach.

A joint Israeli-PLO statement said yesterday that the Cairo talks would break into two working groups.

One group would discuss issues outstanding from the first phase, such as Israel's refusal to release 6,000 Palestinian prisoners, and arrangements for border crossings and safe corridors between the Gaza Strip and Jericho. The second group would discuss giving Palestinians in the rest of the West Bank more control over local administration, as well as over elections and financial matters such as the transfer of taxes and customs.

Israel agreed in Paris to accelerate transfer of power in the West Bank and to expand self-rule beyond the agreed five areas of health, education, tourism, direct taxation, and social welfare.

Only after the conclusion of these talks would the two sides negotiate an interim accord for the West Bank, including the redeployment of Israeli forces from Palestinian population centres, which Israel is pledged to complete by the eve of elections.

The third issue which is now open for discussion is the right of return of Palestinians who fled during the 1967 Arab-Israeli war.

In return for Israeli willingness to begin the next phase of negotiations, the PLO also said it would strive to fulfil its promise to convene, in Gaza, the Palestine National Council – the non-functioning parliament in exile – to annul those clauses of its covenant which call for the destruction of Israel.

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EUROPEAN NEWS DIGEST

IBM plans to shut the door

IBM yesterday gave the European Commission a year's notice that it intends to drop an undertaking it gave in 1984 to supply on request information to some competitors enabling them to design systems compatible with IBM equipment. The undertaking was given after Commission complaints that its dominant position in the information technology industry was harming competition. The voluntary undertaking included computer memory and software practices, and resulted in the suspension of proceedings against IBM in one of the biggest competition cases ever to come before Brussels. The Commission will review the case next year to decide whether IBM still occupies a dominant position. Yesterday, IBM said: "The information technology industry and numerous business practices have changed dramatically since we signed this undertaking in 1984. . . . the dynamics of the industry have made most of the undertaking's terms obsolete." *Emma Tucker, Brussels*

Brussels tackles Italy over TV

The European Commission has begun legal action against Italy over its failure to comply with European Union legislation on television advertising. Brussels says Italy is contravening the "Television Without Frontiers" directive by allowing broadcasts that last less than 45 minutes to be interrupted by advertisements more than once. It also says Italy has failed to ban advertisements from news, children's programmes and religious broadcasts that last less than 30 minutes. Further, the Commission objects to an Italian law stipulating that public authorities must reserve at least 25 per cent of their advertising budget for local private TV and radio stations. The case could pit Brussels against Mr Silvio Berlusconi, the Italian prime minister, whose company owns three national networks in Italy which together control almost half the broadcasting output. The Commission is currently considering some assurances sent to it by Italy. *Emma Tucker, Brussels*

Crédit Lyonnais report leaks

France's parliamentary inquiry into Crédit Lyonnais, the state-controlled bank which lost FFr6.9bn (£820m) last year, criticises its former head, Mr Jean-Yves Haberer, for mismanagement but exonerates him from any personal misappropriation, according to leaks of the 200-page report due to be published on Tuesday. The parliamentary inquiry, unusual in France, has been headed by Mr Philippe Séguin, the national assembly president, who apparently writes in his introduction that "political interference has not had a decisive impact" on the bank's situation. The French treasury is reprimanded in the report for failing to keep a closer eye on the bank's growing liabilities, including some FFr40bn in doubtful property loans that have been hived off into a separate state-backed company. Reaping the consequence of its earlier inattention, the treasury is now said to be nervous about the plan by Mr Jean Peyrelevade, the bank's new head, to declare a FFr2bn-FFr4bn loss for the first half of this year, in a bid to wipe the bank's slate clean as quickly as possible. *David Buchan, Paris.*

Turkish privatisation setback

Turkey's privatisation programme suffered another setback with the constitutional court ruling late yesterday to cancel the recently passed enabling legislation which would have allowed the government to sell companies without having to seek parliamentary approval. The move will delay the programme at a time when Mrs Tansu Çiller, the prime minister, is trying to speed up the sale of state assets to bolster the balance of payments and avoid a debt rescheduling. The court decision means that separate legislation will have to be presented to parliament for debate in the case of the sale of every state company. "Practically speaking, it means the policy is doomed," said the deputy leading the appeal to the constitutional court to have the law annulled. Turkey was aiming to sell $2.5bn worth of assets this year, including companies in the oil refining and distribution sectors, the state airline, steel concern and the state telecommunications. *John Murray Brown, Ankara.*

French growth set to top target

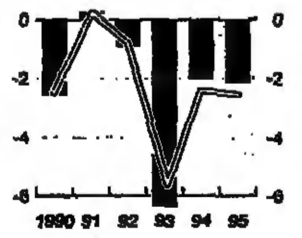
France is likely to have economic growth this year which is nearer 2 per cent than the 1.4 per cent originally forecast by the government, Mr Edmond Alphandéry, economy minister, said yesterday. In the second quarter this year, gross domestic product would rise 1 per cent after rising 0.5 per cent in the first-quarter, Mr Alphandéry told French radio. This meant that by the end of June, France would already have achieved its official forecast of 1.4 per cent growth this year. "I have good reason to hope that in 1994 we will be nearer to 2 per cent [growth] than 1.4 per cent," he said. Several ministers had already said that France would beat its official forecast, made in the 1994 Finance Act, of 1.4 per cent growth this year. *Reuter, Paris*

Fugitive Schneider in contact

Mr Jürgen Schneider, the fugitive German property magnate, has made contact through a lawyer with the Frankfurt prosecutor's office, for the first time since his disappearance three months ago, an official said yesterday. The lawyer had presented a power of attorney on behalf of both Mr Schneider and his wife Claudia, whose property empire collapsed when they disappeared, leaving debts of around DM5bn. His disappearance unleashed Germany's biggest financial scandal in years and embarrassed scores of banks and contractors who had crowned him the country's "construction king". A spokeswoman for the prosecutor said the authorities still had no indication of the Schneiders' whereabouts. *Quentin Peel, Bonn, and AP*

ECONOMIC WATCH

Turkish current account boost



Source: OECD

Turkey's current account showed a surplus of $342m (£225m) in April, the first sign of the effect of government austerity measures. The current account deficit in the first quarter was reduced to $778m compared with $1.8bn in 1993. The figures appear to support government forecasts that the current account will be close to balanced this year, against a record deficit of $6.3bn in 1993, following the sharp contraction in domestic demand and the lira's devaluation. Official reserves fell $3bn in the first quarter, as the central bank sought unsuccessfully to prop up the lira. There was also a $1.4bn short-term capital outflow in the period, compared with an inflow of $1.3bn in 1993, as banks closed their foreign exchange positions. Tourism revenues were steady at $690m. Debt servicing in the first quarter – principal and interest – rose to $2.4bn, against $1.3bn in 1993, reflecting increased foreign borrowings last year. *John Murray Brown, Ankara.*

■ Orders for west German builders were up 3.8 per cent in April from a year earlier and rose 6.2 per cent in the first four months of 1994. New housing orders were up 18 per cent in April and 27 per cent in the first four months of 1994.

■ German crude steel output rose 8.4 per cent to 20.16m tonnes in the first half this year from a year ago.

■ Poland had a current account deficit of $30m in May after a surplus of $45m in the previous month.

Peter Norman, Economics Editor, previews the G7 meeting opening tonight

Two summits for price of one in Naples

The world economic summit that begins in Naples tonight will be the 20th of its kind and the first in which Russia has been accorded equal status with the leading industrialised democracies when discussing the globe's geopolitical problems.

While the summiteers and the world's media will be getting two summits for the price of one, the early signs are that the leaders of the Group of Seven countries and President Boris Yeltsin will be hard pressed to pin the adjective "historic" on their weekend talks in a former royal palace overlooking the Bay of Naples.

To some extent, this is as it should be. The G7 economic summits have been subject to a law of diminishing returns for many years. Indeed, last year in Tokyo the leaders of the US, Japan, Germany, France, Britain, Italy and Canada, accompanied as always by the European Commission president, decided to make a virtue out of necessity and make this year's summit shorter, less scripted and more informal.

But old habits die hard. Put together eight ambitious politicians (or nine if you count Mr Yeltsin, who will join the talks halfway through) under a Mediterranean sun with a multinational force of journalists for nearly 48 hours and they will start playing to the gallery. This instinct was apparent earlier this week, when President Bill Clinton conjured up a clutch of initiatives to revive what clearly seemed a flagging agenda to White House planners.

The improved world economic outlook has created an unusually favourable background. But faced with a batch of topics for discussion that are worthy rather than gripping, Mr Clinton's advisers surprised other summit nations by saying he would propose a global data super-highway, encompassing Russia, and a multinational review of the World Bank and International Monetary Fund. The US is also keen to inject new urgency into further liberalisation of world trade that would build on the successful conclusion of the Uruguay Round negotiations.

Whether the meetings will be flexible enough to cope with these late-breaking ideas remains to be seen. The reforms initiated at Tokyo should give the summiteers the chance to take up proposals at short notice. The Naples talks have been arranged to give leaders more time to talk informally with only one official per delegation present.

But there is also evidence of the usual advance scripting and the airbrushing away of awkward issues. The economic communiqué, to be released tomorrow, is virtually complete and drafts reportedly contain no reference to the weakness of the dollar on currency markets. Indeed, it has become apparent that perhaps only Japan wants to give the matter a thorough airing. German officials have gone out of their way to play down the significance of the dollar's fall, suggesting that it is either a US problem or a bilateral US-Japanese affair.

> The Naples talks have been arranged to give leaders more time to talk informally among themselves with only one official per delegation present.

Although the finance ministers (who, like foreign ministers, attend the meeting) can be expected to discuss financial market developments and the rise in long-term bond rates, decisions are unlikely in the absence of central bank governors, who do not attend.

Instead, the "sherpas" (senior officials who prepare the summit) have primed their masters to put their weight behind the campaign to reduce unemployment adopted at the ministerial meeting in Paris last month of the 25 member countries of the Organisation for Economic Co-operation and Development. More references can be expected to the need for better education and training, openness to new technology and help for small and medium-sized companies as ways to combat unemployment. However, it remains unclear whether France, in particular, will allow explicit recommendations for greater labour market flexibility, which the OECD says are essential to reduce the 35m unemployed in the industrial world.

Proposals are well advanced for broad agreement to make safer Chernobyl-type nuclear reactors in Ukraine and other states of the former Soviet Union. The summiteers could come closer to agreement on that than on most other issues. The European Union summit in Corfu offered Ecu500m (£385m) in grants and loans from union funds to close Chernobyl and help provide Ukraine with alternative nuclear capacity. The EU idea, being strongly promoted by Germany's Chancellor Helmut Kohl, is that other nations should contribute to the effort so that altogether about $1.5bn is available.

However, the Naples meeting will not be able to put to rest all fears about the former Soviet reactors. This is because Ukraine itself will be expected to contribute to the clean-up by covering local costs and agreeing to conditions that will make it eligible for subsidised loans from the industrialised nations. Some difficult negotiations lie ahead to achieve this.

Russia, by contrast, is not queueing up for large financial assistance although it hopes to benefit from any agreement to allow the IMF to issue some of its own reserve asset, known as the special drawing right, to member countries. Instead, the summit is intended to give a deliberate signal that the industrialised democracies regard Russia as a full partner in international affairs.

Whereas previously the G7 countries and the European Commission have discussed the global political agenda among themselves before reconstituting as "G7 plus one" with Russia, this year Russia will be a participant to all geo-political discussions.

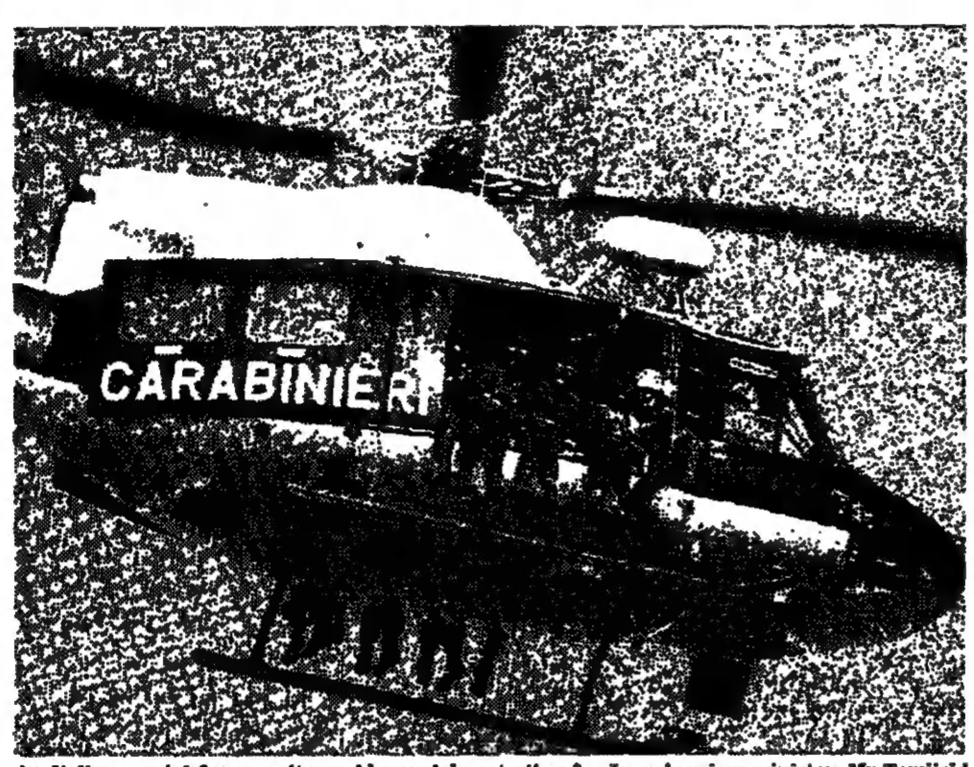
The crises in Bosnia, North Korea, Yemen and central Africa, and the more hopeful developments in South Africa, will be discussed on Sunday.

Naples will be a time for wheeler-dealing and contact-making. It would be indelicate for the four EU countries present to be caught cooking up a deal on the successor to Mr Jacques Delors as Commission president. But discreet whisperings in the corridors cannot be ruled out.

The other leaders will also be anxious to monitor the international debut of Japan's new prime minister, the 70-year-old Socialist Mr Tomiichi Murayama.

There is no danger that Mr Silvio Berlusconi, the Italian prime minister and summit host, will hide his light under a bushel. Naples is Mr Berlusconi's first great opportunity to strut his stuff on the world stage.

The Italian media magnate-turned-politician can be expected to do just that – underlining what the other heads of state and government already know: that summits are about domestic politics as much as about statesmanship.



An Italian special forces unit provides aerial protection for Japan's prime minister, Mr Tomiichi Murayama, on his arrival in Naples for the summit *Reuter*

Japanese PM to make debut in supporting role

By William Dawkins in Tokyo

Mr Tomiichi Murayama, Japan's new Socialist prime minister, makes his debut on the international stage at Naples, facing the world's spotlights with little of substance to say.

Mr Murayama is aware that his Group of Seven partners will be eager for evidence of government action to stimulate Japan's economy, and to curb the massive trade surplus, a factor in the recent rise of the yen and decline of the dollar.

To this end, he has gone to Naples with a promise to extend the current year's one-off income tax rebate to future years, but with no figure in mind. He has a deregulation package, prepared 10 days ago by the previous government, but already criticised by the US and the European Union for falling short of expectations.

Meanwhile, Russian President Boris Yeltsin should expect no more than comradely correctness from Japan's prime minister when they meet at Naples.

Mr Murayama, who will hold a bilateral meeting with Mr Yeltsin on Sunday, will have little choice but to maintain Japan's euphemistically named Russian policy of "expanding equilibrium". In plain English, that means any increase in bilateral Japanese economic aid will continue to be linked to progress on their territorial dispute.

Tokyo would, as it did at last year's G7 summit, provide its share of any multilateral aid package. But Japan's first left-wing prime minister for nearly 50 years is unlikely to change its curious position as the only G7 country that has not yet normalised relations with a post-cold war Moscow.

Within these constraints, Japan's relations with Russia are gradually unfreezing. Mr Yeltsin pleased the Japanese government at his summit last autumn with the then prime minister, Mr Morihiro Hosokawa, by formally accepting for the first time that there was a territorial issue and that the two sides should try to solve it.

On the Japanese economy, Mr Murayama will tell his G7 partners of plans to enlarge an existing Y430,000bn (£2,738bn) public works programme, covering the 10 years to 2000, but he will be unable to provide further details. Finally, he will be able to point to a sharp 6.7 per cent decline in the current account surplus in May as a sign that the troublesome gap could be starting to shrink.

Japan will also be hoping to obtain something from the summit, yet the chances look poor. It is keen, like France, to see exchange rates on the agenda, though Mr Jiro Saito, the vice-finance minister – the ministry's top bureaucrat – does not believe currencies will be the main theme.

Tokyo is worried that the US has not been more vigorous in defending the dollar and is keen to see concerted international intervention. Here, Japan faces the double problem of attracting US support and arguing against Germany's belief that intervention cannot reverse the market trend.

Japanese officials are expecting US President Bill Clinton to treat his first meeting with Mr Murayama as a diplomatic courtesy call. To officials' relief, they do not expect him to demand concrete progress this weekend on the long-running US-Japan trade dispute, as had seemed possible when the Hata administration was in power. That will now be left for July 14, when officials on both sides relaunch negotiations on market access for US cars and car parts.

Chernobyl decision urged by France

By David Buchan in Paris

France said yesterday the Group of Seven should decide in Naples to help furnish Ukraine with an alternative nuclear energy supply to Chernobyl – using Ukrainian, even Russian, equipment if western suppliers remained hesitant because of unresolved civil liability problems.

Ms Anne Lauvergeon, the French summit "sherpa" who has visited Ukraine to try to work out a plan for Chernobyl, said Ukrainian and Russian companies could do much of the work.

She was responding to a warning at an international conference this week that western suppliers' fears about their liability for possible claims arising from equipment supplied could undermine any decision in Naples.

Lord Marshall, a former UK nuclear industrialist who chaired the conference on nuclear liability, organised by the Organisation for Economic Co-operation and Development, said special immunity agreements which the US had reached with Ukraine and Russia, and which the European Union hopes to negotiate soon, still provided inadequate cover for western nuclear suppliers. Nor were Russia and Ukraine yet ready to follow east European countries in signing the Vienna convention on nuclear liability, partly because no large western countries had.

As a result, he said, western companies found it "hard to justify to their shareholders why they should supply nuclear equipment to the east, for not much profit and the small possibility of a big loss".

Ms Lauvergeon said the G7 had to convince Ukraine it was not just acting as the mouthpiece of western anti-nuclear lobbies. It was also important to offer Ukraine the same sort of general financial backing for its economic reforms and political stability as had been offered Russia.

The plan, discussed in the G7 since 1992, to close Chernobyl's four reactors, finish three other near-completed reactors elsewhere in Ukraine, and bring them up to western safety standards would cost $1.5bn, the Elysée official said.

Russia 'now proto-member of a new G8'

By Anthony Robinson

The Naples summit this weekend could mark a sea-change in western views about Russia's ability to re-emerge as a stable society with a dynamic economy, according to the authors of a projection of Russian trends to the year 2010.

"Russia will be participating in the Naples summit both as an object of the G7's concern and as a proto-member of the new G8," Mr Daniel Yergin told bankers and oil industry executives at Lehman Brothers in London this week. "The most important outcome is likely to be a shift in focus from the provision of aid to the encouragement of trade and investment in Russia."

According to this view Russia was "no longer perceived as the Evil Empire but the newest of the emerging markets," he added.

Mr Thane Gustafson, co-author with Mr Yergin of Russia 2010, added that after months travelling the country he concluded that "big private money in Russia is acquiring new political power, and this is the underlying factor behind the political calm which has appeared in recent months."

One under-appreciated factor working in Russia's favour was the way faxes and other modern communications technology could facilitate integration into the global economy. Other positive factors included Russia's well educated population, vast natural resources and the force of 75 years of pent-up demand.

But one of the most important issues still facing Russia was how to attract back the $40bn to $50bn of flight capital which Mr Gustafson called "hover-capital" – poised to return, provided the Russian government allowed a form of amnesty as advocated by Mr Victor Gerashchenko, chairman of the Russian central bank.

"Recent years have seen a vast transfer of wealth from the state to private hands. Russia now has several dollar billionaires, hundreds of millionaires and increasingly powerful banks. Most of these fabulous fortunes were accumulated when the rouble was heavily undervalued two years ago and assets flooded out of the country. Now the new capitalists are powerful and are starting to look for investment opportunities in Russia. They reflect the irreversibility of economic reform in Russia where the command economy simply no longer exists," Mr Gustafson said.

While capital flowed out of Russia in vast amounts, factory managers were becoming the new owners of Russian physical assets through the mass privatisation process. "This means that the new owners of property, mainly factory managers, have property but no capital. What is needed is a marriage between the new proprietors and those who own capital now held overseas."

Mr Gustafson said the case for an amnesty was stronger because a nearly bankrupt government was unable to balance the budget or invest because it was only able to levy taxes on the captive state sector and was incapable of raising taxes from the vibrant private sector. "The solution has to be found through private domestic and foreign investment not the state investment which played the key role in Soviet and Czarist times."

Until now, however, Russia had received less than $2bn in equity investment from the west, compared with more than $100bn that has flowed into China. Increasing this flow would require action and new thinking by both the government and investors, said Mr Gustafson.

As G7 leaders in Naples prepared to discuss ways of making investment and trade more attractive, Mr Gustafson suggested to potential investors that the way to make profits was through "hands-on management" by executives based in Russia and an awareness "that the best protection is not a good lawyer but a good partner".

Russia 2010 by Daniel Yergin and Thane Gustafson. Nicholas Brealey Publishing. 315pp. £12.99p

Harsh words for German telecoms plan

By Quentin Peel in Bonn

Germany's independent monopoly commission warned yesterday that plans for the reform and privatisation of the state telecommunications monopoly, Deutsche Telekom, will do nothing to improve competition in the industry.

In an outspoken indictment of the bill, due to be given final approval today in the Bundesrat, the upper house of parliament, the anti-monopoly watchdogs condemned it for failing to produce any benefits either for business users or private consumers.

It accused the government and opposition, who negotiated the compromise reform, of "political short-sightedness" in failing to speed the pace of competition in Germany's telecommunications market. Only thanks to the European Union will the main area of telecommunications – voice transmission – be opened to free competition from 1998.

A special section of the monopoly commission's annual report is devoted to an analysis of the reform of the telecommunications and postal services. It concludes that the reform has maintained the monopoly situation in the industry, distorting competition, restricting the range of services, and keeping costs unnecessarily high.

"It is true that Germany possesses a well-functioning and modern system of communications," the report says. "But as far as the range of services is concerned, the time taken to execute contracts, for example with orders for telephone and data-connections, and the cost of supplies, there is substantial room for improvement."

Precisely because telecommunications will soon achieve the same economic importance in Germany as the motor industry, the need for competition is urgent, it says. By postponing the opening of the market (until the EU deadline of 1998), the reform will mean fewer jobs will be created.

The report, drawn up under the chairmanship of Professor Carl Christian von Weizsäcker, also points to serious gaps in the legislation in preparing for privatisation of Deutsche Telekom, which is supposed to begin some time in 1996. One question concerns the continuing state control over the organisation, through a holding company set up to manage all three arms of the old post and telecommunications services – the postal service, post bank and the telecommunications monopoly.

The commission suggests that the federal government must consider a capital replenishment to increase Deutsche Telekom's depressed equity ratio of barely 20 per cent, a result of the huge capital costs of rebuilding a telephone infrastructure in east Germany.

It suggests that the unresolved question of how to finance Deutsche Telekom's DM36bn (£14.7bn) pensions' commitments could be an even greater problem for the privatisation process.

Prof von Weizsäcker said yesterday that, in spite of all its failings, he would not urge the Bundesrat to reject the reform just because it was inadequate. He called instead for the government to begin work immediately on a further phase, to open the whole telecommunications market to competition as urgently as possible.

THE FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 60318 Frankfurt am Main, Germany. Telephone ++49 69 156 850, Fax ++49 69 5964481, Telex 416193. Represented in Frankfurt by J. Walter Brand, Wilhelm J. Brüssel, Colin A. Kennard as Geschäftsführer and in London by David C.M. Bell and Alan C. Miller. Printer: DVM Druck-Vertrieb und Marketing GmbH, Admiral-Rosendahl-Strasse 3a, 63263 Neu-Isenburg (owned by Hürriyet International). ISSN: ISSN 0174-7363. Responsible Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL, UK. Shareholders of the Financial Times (Europe) GmbH are: The Financial Times (Europe) Ltd, London and F.T. (Germany Advertising) Ltd, London. Shareholder of the above mentioned two companies is: The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL. The Company is incorporated under the laws of England and Wales. Chairman: D.C.M. Bell.

FRANCE
Publishing Director: D. Good, 168 Rue de Rivoli, F-75044 Paris Cedex 01. Telephone (01) 4297-0621, Fax (01) 4297-0629. Printer: S.A. Nord Eclair, 15/21 Rue de Caire, F-59100 Roubaix Cedex 1. Editor: Richard Lambert. ISSN: ISSN 1148-2753. Commission Paritaire No 67808D.

DENMARK
Financial Times (Scandinavia) Ltd, Vimmelskaftet 42A, DK-1161 Copenhagen-K. Telephone 33 13 44 41, Fax 33 93 53 35.

Russia loses confidence of oil majors

By John Lloyd in Moscow

Western oil companies attempting to operate in Russia are now scaling back or freezing their operations in the country and even warning of pulling out completely – citing high taxes, restrictive export quotas, bureaucratic delays, and in-fighting and continuing hostility from Russian production associations to their attempts to exploit the vast resources in Siberia and other regions.

Though there have been some encouraging agreements, western executives say the conditions do not permit major investments.

A range of medium to large projects are now frozen or in doubt. These include:

■ An agreement signed three years ago by Elf Aquitaine to explore reserves in the Volgograd and Saratov regions. This has been stuck in negotiations between local, regional and federal authorities – an impasse which has meant that no exploration work has yet begun. Mr Daniel Lefebvre, the French project manager, said: "So far it has proved impossible to work in accordance with legal practice. We hope that it will become clearer by the end of the year."

■ An agreement negotiated by the German company Deminex – a subsidiary of Veba – also to exploit reserves in the Volgograd region – is delayed because of a lack of guarantees on investment and a fixed tax regime and "clear commitments to transport the product", according to Mr Fritz Wenzel, a Veba vice-president.

■ A Russian-US joint venture at the Chernogorskoye field in Nizhnevartovsk, in the Tyumen region, is now under threat because the agreed amount of oil to be exported has not been forthcoming, and the largest part of a \$84m (£55.2m) loan put up by the European Bank for Reconstruction and Development and the US Overseas Private Investment Corporation has not been disbursed.

A senior executive connected with the project said yesterday: "The problem is the high tax structure and the inability of the government to enforce the reduction of the export tax as promised.

"One arm of the government is trying to enhance tax revenues any way it can and the other is promising reductions to get investments."

The fields in the Tyumen region, still by far the biggest producer, are now encountering severe problems from flooding – but the oil associations are reluctant to invite in western companies in any other capacity than suppliers of technical assistance.

Meetings between western European oil executives and officials of regional associations in the town of Surgut earlier this week showed that the Russian producers were deeply reluctant to admit there was a need for the western companies and the executives were confused about how they might find ways to co-operate.

Mr Victor Deshura, chief engineer of Surgutneftegas, a regional production association, told the oil executives this week that "our problems are not just about investment. I don't believe companies should come in here and try to solve our problems. The intellectual level of our own people is high enough."

The region has already repelled efforts by, among others, BP to set up production projects – and seems likely to continue to do so.

At the same time, Russian production continues to fall rapidly – as wells go out of production because of flooding or exhaustion, and none are brought in to replace their lost output.

The Petroleum Information Agency said yesterday that production in the first six months of the year stood at 145.5m tonnes – 85.5 per cent of last year's level.

Britain reassesses its Bosnian peace role

By Philip Stephens in London and Laura Silber in Belgrade

The British government is reassessing its role in the United Nations peacekeeping effort in Bosnia, amid fears that failure of the latest peace plan – a territorial division of the region – could trigger a re-escalation of the conflict.

Ministers have raised the possibility that the 3,000 British troops in Bosnia may have to be withdrawn later this year if the plan unveiled in Geneva this week is rejected by the warring Serbs and Moslems. The Ministry of Defence is expected to prepare detailed contingency plans against such an eventuality. The reassessment follows a warning to cabinet colleagues from Mr Douglas Hurd, the foreign secretary, that a rejection of the proposed settlement by one of the two sides would lead to a gradual breakdown of the present ceasefire.

A subsequent end to the UN arms embargo would also raise the threat of much more generalised Balkans war, with the conflict spreading to neighbouring Kosovo and Macedonia. Amid renewed tension between London and Washington, Mr Hurd believes it may well be impossible to prevent the US from lifting the arms embargo on the Bosnian government if the Serbs reject the latest settlement.

Despite the recognition in London that President Bill Clinton would face irresistible Congressional pressure to lift the ban on weapons sales, the UK government remains convinced that such a move could provoke a massive escalation in the conflict. It fears the resumption of arms supplies to the Bosnian Moslems would undercut decisively the neutrality of the UN forces. Facing the risk of attacks by the Serbs, Britain and France would have no alternative but to withdraw.

Nevertheless, Bosnian Moslem leaders yesterday said they would endorse the plan, presented on Wednesday in Geneva, for Bosnia's partition, despite its drawbacks.

The go-ahead from Bosnian President Alija Izetbegovic and Mr Haris Silajdzic, prime minister of the Moslem-Croat federation, virtually assures that their parliament will back the proposed maps.

Mr Izetbegovic said: "The positive element is that the state of Bosnia-Hercegovina will be preserved." The maps create two spider-shaped mini-states, giving 51 per cent of Bosnia to the new federation and 49 per cent to the Serbs, who currently control 70 per cent.

The plan was presented by the five-nation contact group, composed of diplomats from the US, Russia, Germany, France, and the UK. Both sides must decide on what they call the "last-chance" peace plan by July 19. In an apparent shift of tactics, Mr Radovan Karadzic, the Bosnian Serb leader, softened his criticism. He said that his assembly's vote hinged on the constitutional plan rather than the territorial division.

Earlier he sought to rupture the fragile unity in the contact group by denouncing the plan as an "American dictate". Serb leaders have exploited international divisions in the conviction that this will silence demands to reverse their military gains.

Council of ministers keeps lid on workings of public access rules

Secret EU 'openness' policy

By David Gardner in Brussels

The European Union's council of ministers is refusing to disclose information on how it is operating its "openness" policy, claiming this information is covered by secrecy rules.

This latest example of the council's reluctance to deliver on EU promises to guarantee public access to information on decision-making by the 12 member states is nevertheless offset by a shift in policy, under which for the first time there will be a public register of how ministers vote in the council.

The council refusal to reveal the reasons for its decisions on requests for information came in a written reply to Mr Peter Brown-Pappamikail, an official of the European Socialist group, the dominant force in the new European parliament.

Under a new code of conduct on public access to documents approved by the council – in an effort to quell criticism of its excessive secrecy – last December, Mr Brown-Pappamikail sought information on the criteria being used by the council bureaucracy to approve or deny requests.

To the end of May, only six of 27 requests for information were fully met, the council says.

In its reply to Mr Brown-Pappamikail, released yesterday by the Euro-Socialist group, the general secretariat of the council says: "This is a particularly sensitive file and the preparatory documents which it contains are covered by the obligation of professional secrecy."

There is growing pressure, however, for a full disclosure of how the code is being operated, especially because it contains a discretionary clause allowing refusal "to protect the confidentiality" of the proceedings in council, the only legislature in Europe which meets behind closed doors.

'It is absurd that even the ministers' debates on openness are cloaked in secrecy; ministers should be made accountable for their votes'

The Netherlands is challenging this catch-all clause in the European Court of Justice.

Nevertheless the council is trying to respond to pressure for greater transparency and decided on Wednesday night, however, to establish a public record on how national ministers vote in the council on EU laws.

This followed an appeal by the Financial Times against rejection of its request for a record on qualified majority voting (QMV) – those decisions which do not require unanimity – by EU ministers going back to 1989.

The council turned down this appeal, claiming it "is not in possession of any such statistics", and that before last December "voting in the council was confidential".

But the final reply by the council to the FT – which once signed by the current German presidency of the EU will have the force of law – says that "for the future the council intends to arrange for statistics on votes made public ... to be compiled and periodically published."

Some EU diplomats argued yesterday that this step could lead to more formal votes being taken on laws dealt with under QMV, since ministers would need to establish where they stood, in case of questioning by their national parliaments.

At the moment, many QMV decisions go through without a formal vote, enabling ministers and officials to claim they were opposed to the measures.

Despite this shift, the council came under renewed attack yesterday.

Mr Tony Blair, front-runner in the race for the leadership of the British Labour party, said at a meeting in Brussels: "It is absolutely scandalous that important decisions are taken behind closed doors in Brussels and barely reported to national parliaments afterwards."

Mrs Pauline Green, the British leader of the Socialists in the European parliament, said: "It is absurd that even the ministers' debates on openness are cloaked in secrecy; ministers should be made accountable for their votes."

Denmark, in an annex to the council reply to the FT, records its abstention on the decision to refuse access to past QMV records.

The reason, as the Danes argued again at a meeting of EU ambassadors yesterday, is that it wants a full ministerial debate later this month on the inadequacies of EU information policy.

In another annex to the reply to the FT, the Dutch delegation records its vote against the council decision. Holland says the council should collate past votes in council and hand them over.

"By showing this willingness to the applicant, the council would have the opportunity to take a first step in implementing the conclusions of European council in Corfu on transparency and open governance," the Netherlands said in its declaration.

The Corfu summit conclusions were self-critical of the steps so far towards open government, stating that these "require further elaboration".

Clinton offers Poles funds to adapt to Nato

By George Graham in Warsaw

President Bill Clinton could not give Poland a firm date for membership of the North Atlantic Treaty Organisation when he visited Warsaw yesterday, but he offered what the US administration believes to be the next best thing: money to help the Polish armed forces convert their equipment and communications systems so they can work with Nato troops.

In a speech to the Polish parliament, Mr Clinton promised to ask the US Congress for \$100m next year to help the 21 countries which have signed up for Nato's Partnership for Peace – a sort of associate membership – adapt to Nato norms, with a quarter of the money earmarked for Poland.

"We believe that when Nato does expand – and it will – a democratic Poland will be a member," Mr Clinton said.

US officials said the money was very different from the \$10m Mr Clinton had pledged the day before in Riga to the Baltic Battalion, a peacekeeping force set up jointly by Estonia, Latvia and Lithuania.

The promise of cash drew a rare burst of applause from an otherwise unenthusiastic Polish parliament, gathered in an extraordinary session to hear Mr Clinton speak.

But the parliament, no longer controlled by President Lech Walesa's Solidarity party, clapped only when Mr Clinton ventured a Polish phrase. US presidents once drew emotional crowds in Poland, but five years after former President George Bush visited Warsaw, the thrill is gone.

In the past, the US embassy used to pass word of a visiting American president's itinerary through the grapevine, so that the people of Warsaw would know where they could go if they wanted to see him, while not a word would appear in the government-controlled newspapers.

Today, the papers publish the complete route, so people will know where not to go if they want to avoid the traffic jams caused by the presidential motorcade.

The crowds that gathered to see Mr Clinton for ceremonies at the tomb of the unknown soldier, and at the memorial to the 1943 uprising in the Warsaw ghetto, were respectable but much smaller than those that greeted Mr Bush.

Mr Clinton promised that he would "not let the Iron Curtain be replaced with a veil of indifference", and reassured his audience that Russia would not be allowed a veto over Poland's eventual membership of Nato.

Vietnam blocks Coca-Cola plant

By William Barnes in Bangkok

The Vietnamese government is reported to have blocked plans by Coca-Cola to invest in a bottling plant in Ho Chi Minh City, where its arch-rival Pepsi has a local bottling venture already in operation.

The Business Times, a Singapore newspaper, said the State Committee for Co-operation and Investment told Coca-Cola that it could not start production, only weeks before the factory was ready to roll.

The state committee argued that south Vietnam was already supplied with ample soft drink factories and that new facilities must be added "in harmony with the demand of the market".

Even before US President Bill Clinton lifted the trade embargo with Vietnam in February Coca-Cola and Pepsi were jockeying to try to establish themselves as the pre-eminent brand in this country of 70.6m people. Pepsi won the first skirmish by opening a local bottling plant in Ho Chi Minh City in the south – where three-quarters of the demand for cola is. Pepsi and its partners – Singaporean investors and Vietnamese local government organisations – laid out $10m as an initial investment. Coca-Cola, in a blaze of publicity, imported 3.6m bottles a month from Singapore and, last month, opened a $20m bottling operation in a Hanoi suburb.

This is expected to go into production in the first half of 1995 and eventually produce 200m bottles of cola a year. A company spokesman in Singapore said that Coca-Cola would protest against the decision to put its Ho Chi Minh plant on ice and was optimistic that this appeal would eventually succeed. In the meantime it would try subcontracting the bottling of Coke in Ho Chi Minh to Chuong Duong.

Pepsi has appeared to be following a strategy of working with the Ho Chi Minh authorities to obtain speedy practical returns on the ground, whereas Coke seems to have put more emphasis on solidifying contacts with the central authorities in Hanoi.

Coke's Hanoi factory is a joint venture between Coca-Cola Indochina of Singapore and the state-run Vietnam National Import Export Corp (Vinamilex). Before this setback Coke said it planned to invest more than $45m in Vietnam in the next five years in an effort to catch up and overtake its rival – much of the money going to revamp an old Ho Chi Minh factory.

Caricom shrugs off US concerns over Cuba

By Canute James in Bridgetown

Cuba's inclusion in the Association of Caribbean States (ACS), a regional trading bloc formed this week, will not become a controversial and divisive issue despite US concerns, the Caribbean Economic Community (Caricom) said yesterday.

Caricom added that all prospective members had agreed the island should be a member and Cuba met all the criteria for joining the economic co-operation grouping.

The Caricom leaders, at their annual summit in Barbados, approved a draft agreement establishing the ACS, which will include all the Community's members, Cuba, Haiti, the Dominican Republic, Suriname, the Central American states, Mexico, Colombia and Venezuela. The 25 members will offer associate membership to 15 dependent territories in the region.

The agreement is to be signed in Colombia on July 25, creating what officials say will be one of the world's largest trade blocs.

Caricom officials say that the community's members have been informed of Washington's objections regarding Cuba's inclusion. "We gather that the United States feels that Cuba should first make political reforms and improve human rights before it is allowed into the ACS," a Caricom official said. "But again we say that the United States has not put these concerns to Canada and Mexico, which have been Cuba's main trading partners in the hemisphere. There is no basis on which Cuba can be excluded."

Mr Jorge Bolanos, Cuba's deputy foreign minister, said the government was unperturbed by US concerns, as these were expected.

"We knew from very early that this would not go down well in Washington," said Mr Patterson Thompson, executive director of the Caribbean Association of Industry and Commerce. "But we agreed unanimously on having Cuba in the ACS, and the government has already initialled the draft agreement."

"The US has nothing to do with this," he said.

The ACS is the largest economic grouping in which Cuba has been involved since the collapse of the Soviet Union, its main trading partner, and the dismantling of the Council for Mutual Economic Assistance (Comecon.)

In another move to strengthen economic ties with its Latin American neighbours, Caricom has agreed the terms of a free trade pact with Colombia.

The agreement will be signed at the end of this month, and will be effective in January next year.

It will allow specified categories of Caricom products preferential entry to the Colombian market, with the community reciprocating on a phased basis.

Economic blocs 'no threat to trade'

The trend towards regional economic blocs was likely to accelerate during the 1990s, but there was no evidence that it had damaged the growth of world trade, Mr Peter Sutherland, the director general of the General Agreement on Tariffs and Trade, said yesterday, writes Guy de Jonquières, Business Editor.


Sutherland: no check to growth

"The conclusion that the world is witnessing the creation of three inwardly-oriented 'trading blocs', based in North America, western Europe and the Asia-Pacific region, is not supported by an analysis of trends in the patterns of world trade," he said in a speech in São Paulo.

Such groupings had had "a negligible impact" on the structure of world trade, except in western Europe, where trade between European Union members had grown faster than with the rest of the world. But it was difficult to generalise from that example, because EU integration went far beyond trade. Furthermore, external trade had not changed much as a proportion of western Europe's GDP since the end of the war.

Mr Sutherland said he was confident that regional integration would complement multilateral trade, provided Gatt members swiftly ratified the Uruguay Round trade agreement. He suggested, however, that the impact of regional blocs should be more thoroughly monitored by Gatt members. Since 1986, 25 preferential trade agreements have been notified to the Gatt.

Sharp drop in subsidised trade finance

By Nancy Dunne in Washington

The use of subsidised trade finance by the industrialised countries fell sharply last year, but preliminary figures suggest that export competition may once again drive up levels of tied aid financing.

According to a report from the US Export-Import Bank to Congress, the total volume of tied aid credit offers last year fell to $6.9bn (£4.5bn) from $15.5bn in 1992.

The drop followed a 1992 agreement among the industrialised countries, pushed by the US, designed to slow the pace of export credit subsidised by governments in the form of soft loans or grants.

But the trend could be reversing. According to the report, countries reported making $3.1bn in tied aid offers during the first four months of 1994.

If the trend continues, tied aid offers could total $9.4bn for this year.

In most recent years, France and Japan have been the most active tied aid promoters. Last year France provided $1.23bn, Germany $950m, the US, $900m, and the UK $830m.

This year the Germans have been the most active, offering $1.5bn. About two-thirds of these offers were highly concessional. France and Spain each offered tied aid credits worth about $400m.

The US this year has a $150m "war chest" with which to subsidise loans. Mr Kenneth Brody, Eximbank chairman, has vowed to match the subsidised offers of US company competitors to eliminate financing as the basis for making a deal. As of early June Eximbank had three tied-aid preliminary loan commitments outstanding and was preparing another.

China, which has just opened the doors of its own trade finance bank, has been the biggest beneficiary of subsidised export finance.

During the first four months of this year it received about $600m in tied aid offers. Last year it received $2.8bn.

"In large part, the continuing heavy volume of tied aid offers to China was owed to the Chinese central government's continuing efforts to use commercial pressure to obtain aid financing which would have otherwise been committed to other countries," the report says.

"To pursue this end, the central government continues to impose a stiff duty in imports financed by credits bearing a note rate of greater than 5 per cent.

"To avoid paying this tax, Chinese purchasing enterprises must seek the cheapest possible foreign financing, even if it means playing foreign contractors and OECD credit agencies off one another."

The US has grown increasingly concerned about the use of "untied" financing, mostly offered by Japan.

This practice in principle makes concessional credits available to foreign suppliers but in practice, most of the subsidised lending backs the sale of Japanese products.

NEWS IN BRIEF

Italy wins Malaysia power deal

Ansaldo, the state-controlled Italian engineering group, has won a L180bn (£74m) order for conversion of a gas turbine power plant in Malaysia to a combined cycle, which allows the plant to recover heat from gas turbine exhaust fumes, writes Andrew Hill in Milan.

Ansaldo said conversion would allow the plant to generate an additional 100MW of power without raising fuel consumption. The company's subsidiary, Ansaldo Gie, is the lead company in a consortium with Daelim of Korea and Sumitomo of Japan. Ansaldo said its share of the order was worth L110bn.

■ Proton, Malaysia's national car maker, is to assemble up to 50,000 Citroen-based small cars a year under a preliminary accord signed yesterday, writes John Griffiths. The deal, between Automobiles Citroën, Proton and USPD, a joint venture already representing Citroën in Malaysia, provides for Proton initially to assemble kits of Citroën's AX model.

£39m UK defence contract for Canada

The UK defence ministry has awarded a £39m contract for five Merlin helicopter simulators and training devices to Canada's CAE Electronics, writes Bernard Simon in Toronto. The contract marks the Toronto-based company's first simulator contract for the UK armed forces, which have traditionally given the bulk of their business to Rediffusion, CAE's main rival in the international flight simulator market.

WORLD CUP

The double acts that strut and fret

Jurek Martin in Washington looks at the performances of some of the tournament's odd couples

If Denmark had qualified, Rosencrantz and Guildenstern would not have been the talk of the World Cup – far too subtle and self-effacing, too fond of screen passes, unwilling to give their prince of a striker a good look at anything other than a dead ball.

Inevitably, sports seem to produce inseparable pairs: Hoad and Rosewall, Koufax and Drysdale, Hobbs and Sutcliffe, Montana and Rice, etc. They do not even have to play for the same side. Bird (Larry) and Magic (Johnson) reinvented basketball in the early 1980s while playing a continent apart in Boston and Los Angeles, and only a few times a season against each other.

So it is more than convenient to look at this World Cup in terms of its twins, especially among the survivors. Batistuta and Caniggia engaged our attention while Argentina were alive, and no finer goalkeepers have been seen than old Preud'homme of Belgium and young Al Deayea of Saudi Arabia, but they are all now back home.

Hristo Stoichkov and Gheorghe Hagi are a natural pair, and not only because Bulgaria and Romania are neighbours. Neither looks like the sort to be met in a dark alley. If Richard Nixon had sported a five o'clock shadow resembling Stoichkov's, he would never have been elected dog-catcher.

Both are combative and both are artists at petulant gamesmanship, forever seeking that niggling edge that can induce mistakes by the opposition. Hagi drove John Harkes of the US into just such a silly reaction – and a yellow card that took him out of the match against Brazil. How Jamal Al-Sharif, the Syrian referee, survived the Bulgarian's menacing reproaches in the Mexican game without going ballistic is a tribute to Arab tolerance.

But both are marvellous creative players able to finish what they start. They might even be softies at heart. There was Stoichkov after the penalty shoot-out with consoling arms draped around Jorge Campos, the psychedelic Mexican goalkeeper. Lip-reading Spanish (Stoichkov plays for Barcelona) is not easy, but Campos seemed to appreciate what he heard. Even Hagi smiled, deathlessly, after Romania had done in Argentina.

Quarter-Finals

Tomorrow
Match A: Spain vs Italy
Boston 5pm BST
Match B: Holland vs Brazil
Dallas 8.30pm

Sunday
Match C: Germany vs Bulgaria
New Jersey 5pm
Match D: Romania vs Sweden
San Francisco 8.30pm

Romario and Bebeto, the Brazilian attacking twins, apparently do not like each other. Romario does not seem to like anyone. He even refused to sit next to Bebeto on the flight to the US, which, presumably, was not in economy class.

They may have developed a new theory in human relations – that if personal contact is confined to kicking a ball it can be civil. Thus, two inherently selfish, egotistic and highly-skilled people instinctively know where the other is and what his intentions are; if they don't, they don't talk to each other.

It is most logical to couple Roberto Baggio of Italy with Lothar Matthäus of Germany. They do not play much alike, nor even mostly in the same part of the field, but both came to the World Cup with the advance billing of miracle workers and with the cares of their countries on their shoulders.

Not surprisingly, both have come close to being disappointing. Baggio had to suffer the humiliation of being removed from the Norway game after barely 20 minutes when Italy fell a man short, and his temporary redemption came perilously late, with two goals in the 89th minute and in extra time against Nigeria.

Prior to then, on his own admission, he had been in a slump. He looked care-worn, his ponytail drooping, no encouraging Buddhist mantra passing his lips. At least he was a stoic about it – until he scored and exulted in a manner that put even Maradona in the shade.


Germany's Jürgen Klinsmann: part of a highly effective striking partnership with Rudi Völler AP

The super-cool Matthäus has not had to bestir himself so much and has been handicapped by an injured foot, which meant he missed the excruciating last half-hour against a rampant South Korea. But not until Belgium can he be said to have imposed himself on a game, and even then he took second billing to another odd couple, Jürgen Klinsmann and Rudi Völler.

It is hard to pair goalkeepers, who are solitary fellows given to screaming at their own defences. But a certain affinity under the skin may link Thomas Ravelli of Sweden, than whom no-one is more manic of face and manner, and Claudio Taffarel of Brazil, a country with a long history of eccentric last lines of defence.

Taffarel's calmness to date can only reflect the fact that he has hardly had a shot to save in four matches (the one he missed, by Kennet Andersen of Sweden, would have beaten Cerberus). If he flubs one, or if a defender goofs – look out.

As already noted in the FT this week, there is no slower pair afoot than Ronald Koeman and Frank de Boer of Holland, though both compensate in other ways. The contrasting speed merchants out of defence must be Sergi and Albert Ferrer of Spain, who may or may not have trained in Pamplona.

Luis Enrique of Spain and Florin Raducioiu of Romania may be linked as exemplary all-purpose forwards, mean enough to intimidate defenders and quick enough to get outside them. Both play well with their backs to the goal, laying the ball off and running at goal.

The finest actor on display remains Klinsmann, but Emil Kostadinov must have a formidable theatrical reputation back home in Bulgaria, now being magnified on the world stage. Gianfranco Zola of Italy and Emil Kremenliev, also a Bulgarian thespian, gave virtuoso performances in the face of red cards, especially the Italian with a truly passionate assault on surrounding fences and advertising boardings.

The pair – there had to be two of them – who have been sent home (Stefan Effenberg of Germany and Ion Vladiou the Impaler of Romania) merely played to the audiences and referees too much. That is something of which Rosencrantz and Guildenstern would never have been guilty.

Fans are opening their wallets

The World Cup is generating heavy extra tourist spending in the nine cities where matches are played, according to business leaders.

A spokeswoman for the Chicago Convention and Tourism Bureau said: "The games [and opening ceremonies] were worth more advertising dollars than we could ever pay." In Boston, organisers are confident that the World Cup will generate $255m worth of extra retail spending. In Orlando, retailers were "very, very happy," said a spokesman.

Stadiums have been sold out for virtually all games, with ticket sales especially strong in Chicago, Los Angeles, Washington and New York. In Dallas, tomorrow's quarter-final between Brazil and Holland is a sell-out, with scalpers asking $175 to $250 for $55 tickets.

Not everyone is happy. Hotels in some World Cup cities were left with empty rooms when organisers over-projected sales. In San Francisco, John Marks, president of the San Francisco Convention and Visitors Bureau, said hotel bookings were well below those expected.

Orlando hotels near the city's theme parks reported a slight slow-down last month, apparently caused by people waiting for the soccer crowds to leave.

"We've all been a little nervous about the domestic market backing off," said Phil Wright, president of the Central Florida Hotel and Motel Association.

Clinton steps up healthcare reform drive

By Ken Warn in Washington

The Clinton administration and the Democratic party are launching an all-out push to swing public support behind healthcare reform before Congress starts drafting detailed legislation on the issue after this week's recess.

The campaign will include speeches by President Bill Clinton, Mrs Hillary Rodham Clinton and administration officials, television advertising and a $2m (£1.3m) bus tour, financed by backers of reform such as unions, consumer groups and churches.

Ms Donna Shalala, health secretary, took to the road on Wednesday to begin underscoring the administration's commitment to universal healthcare, in a message echoed by officials in a series of co-ordinated speeches across the country. And yesterday saw the unveiling of a Democratic party television advertising campaign attacking the opponents of reform and funded from a $5m war-chest.

The coming weeks will be critical for the prospects of reform as the Senate and House leaderships struggle to craft bills approved by the congressional committees with jurisdiction over healthcare into legislation to be voted on by their respective chambers.

Voting is not likely to take place until next month, after which the Senate and House versions must be reconciled in conference. Final voting on the completed legislation could therefore come after the August recess, in September or October.

All of the four committees that agreed versions of the plan have approved legislation that varies from the Clinton plan. But the main worry for the administration is the powerful Senate finance committee, which was alone in dropping the cornerstone of the Clinton proposal – achieving universal healthcare insurance largely financed by employers.

Instead, the finance committee's version seeks to cover 95 per cent of the population by the year 2002 through insurance industry reforms, tax incentives and subsidies to low earners.

The committee often accurately reflects the views of the Senate at large, and some House members may also look to it for a lead on healthcare.

But abandoning universal coverage is anathema to the administration. Fears of having to accept watered-down legislation – or even no legislation at all – lie behind the publicity onslaught aimed at getting the public to lobby their congressmen on the issue.

Opinion polls have produced contradictory findings on healthcare, but an ABC-Washington Post poll at the end of last month found an overwhelming 78 per cent backing a guarantee of universal coverage.

Much of the battle for hearts and minds will be fought on the nation's television screens. The Democratic party's advertisements launched yesterday are a parody of the infamous "Harry and Louise" campaign, sponsored by the Health Insurance Association of America, which attacked the Clinton plan.

In the original advertisement a concerned couple picked holes in the Clinton proposals. But in the Democratic version, Harry has lost his job and his health insurance, both partners are sick in bed and complaining of the financial burdens of illness. The health insurance industry threatened to respond to the ads.

Also about to enter the battle is Mr Ross Perot, the Texas billionaire and independent runner in the 1992 presidential election. Mr Perot last week offered to fund Republican advertising on healthcare. The Republicans have already run campaigns advocating more limited health reform measures and say they will run more.

Baby Bells challenge 'one-man regulation'

Martin Dickson on the US phone companies' legal battle for new markets

It is one of the quirks of the American political system that for the past decade the most powerful individual in the nation's fast-changing telecommunications industry has been a 71-year-old judge of the US district court in Washington.

Likened to a "one-man regulatory commission", Judge Harold Greene has sweeping powers to determine what businesses America's seven "Baby Bell" local telephone companies may enter and how they may conduct themselves.

This week the judge's fiefdom came under attack when four of the Baby Bells – Bell Atlantic, BellSouth, Nynex and Southwestern Bell – filed a motion asking him to give up his control over them. In particular, they want him to lift a ban, imposed because they are local monopolies, which prevents them from competing in the lucrative long-distance telecommunications market and the manufacturing of communications equipment.

If he refuses, as seems likely, the phone companies may fight the case all the way to the Supreme Court.

The outcome could be important in determining the shape of the industry, which is going through immense structural change as technological and regulatory barriers crumble.

But the case could also be overtaken by events. In a separate process, Congress is working on legislation to establish a new framework for the industry, which would eliminate Judge Greene's powers.

Judge Harold Greene: filled a legislative vacuum Ashley Ashwood

A bill passed last week by the House of Representatives, and favoured by the Baby Bells, would allow them to enter the long-distance market relatively quickly.

However, the Baby Bells are bitterly opposed to another version of the bill, due to come before the Senate commerce committee this month, which would keep them out of some long-distance services until they face "actual and demonstrable" competition in their local phone businesses, which could take years.

Some observers suggest that the Baby Bells have only started the court battle to put pressure on Congress to pass the House bill, or to prepare another line of attack if they do not get their way on Capitol Hill.

Whatever the case, Judge Greene's current role is largely the result of Congress's failure to enact comprehensive telecommunications reform over the past decade as it has been battered by lobbies for and against the Baby Bells. The judge has filled the consequent legislative vacuum.

Judge Greene became involved in telecommunications policy on his first day on the federal bench in 1978. He was handed what was to become the largest anti-trust case in American history – US versus American Telephone & Telegraph – in which the Justice Department accused AT&T of monopolistic practices.

Judge Greene oversaw the so-called Modified Final Judgment (MFJ) which settled the case. AT&T agreed to spin off its local telecommunications companies into seven separate businesses – the Baby Bells.

AT&T retained its long-distance and manufacturing operations, but faced greater competition. The Baby Bells were barred from long distance, telecommunications equipment manufacturing and information services, for fear they would use their financial muscle to quash competitors.

Judge Greene was left with responsibility for overseeing implementation of the MFJ, along with his roster of regular court cases.

The Baby Bells have two big complaints. First, they must seek waivers from him to be allowed to enter new businesses, or to carry out some aspects of existing ones, and his court does not have the capacity to handle these requests speedily. Waivers have taken five years or more to be approved.

He also has power over certain aspects of AT&T's business and his long review of the company's $12.6bn (£8.2bn) bid for McCaw Cellular Communications has been one obstacle to consummation of that deal, announced nearly a year ago.

Second, Judge Greene has been resolutely opposed to the Baby Bells entering big new markets – despite a remarkable about-face in 1987 by the Justice Department, which said that changes wrought by the AT&T break-up meant it was now acceptable for the seven to operate in the equipment and information services business.

In 1991 the US Court of Appeals ordered the judge to remove his information services ban, though he went down fighting, arguing that it did not make sense to turn a key ingredient of the information society over to "corporations who not so long ago were involved in major violations of anti-trust laws".

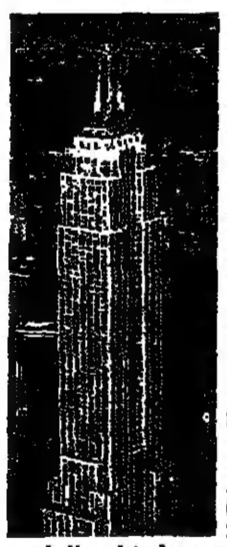
The Baby Bells argue that Judge Greene's remaining powers should be removed because the telecommunications industry has changed so much since the MFJ was agreed: they now face a measure of local competition from upstart rivals trying to cream off business, while their entry into long-distance will shake up what has become an "oligopoly" dominated by three rivals – AT&T, MCI Communications and Sprint.

Their opponents, which include the long-distance carriers, consumer groups and local rivals, insist that nothing has really changed and the Babies are still monopolies, responsible for 98 per cent of local telecommunications traffic.

This, in a nutshell, is the conflict which Congress is trying to resolve as it weighs the most comprehensive change in telecommunications legislation since 1934. It could still end in gridlock, keeping Judge Greene's hands on the levers of power for a considerable time yet.

NEWS IN BRIEF

Trump takes the Empire State



Mr Donald Trump, casino operator, property developer and unrivalled exponent of the art of self-promotion, yesterday achieved his greatest coup yet by announcing that he had bought New York's famed Empire State Building – or at least half of it, writes Richard Tomkins from New York. He has entered into a 50-50 joint venture with a secretive group of Asian and European investors who, it emerged yesterday, had quietly acquired ownership of the Manhattan office block from a wealthy New York family in 1991. "This is a great deal for me," said Mr Trump. "It solidifies my position as New York's Native Son. I get 50 per cent of all the upside and I intend to make my position worth a fortune." Although world-renowned for its awe-inspiring height and architectural design, the Empire State Building is not regarded as a particularly lucrative piece of real estate because it is encumbered by a lease that runs until 2075. The Asian and European investors are believed to have acquired it for barely $40m (£26m). Sources close to Mr Trump, however, suggest that he may try to regain control of the building by claiming the leaseholder is in default. The lease specifies the building should be a class A office building, the sources say, but instead, it is occupied by about 800 small businesses, mainly in the clothing industry.

Constitutional challenge to Rostenkowski charges

Lawyers acting for Mr Dan Rostenkowski are seeking to mount a constitutional challenge to corruption charges against the Democratic congressman, writes Ken Warn from Washington. Mr Rostenkowski faces a 17-count corruption indictment covering his activities over the past 20 years. The charges include putting "ghost" employees on his payroll, converting federal money for personal and family use, and trading stamps for cash at the House post office. In a hearing this week to review progress on the case, Mr Rostenkowski's lawyers argued the alleged offences concerned House rules and only Congress has jurisdiction over its own legislation. District Judge Norma Holloway Johnson gave the defence until August 5 to file its challenges. She said she was "a bit disheartened" by the slow start in the case and would brook no further delay. Mr Rostenkowski, formerly a key ally of President Bill Clinton in the battle over healthcare reform, was forced to stand down as chairman of the powerful House ways and means committee as a result of the corruption charges.

US forces stage Haiti invasion exercise

The Pentagon yesterday confirmed reports that more than 1,000 elite special forces troops staged exercises two weeks ago in the south-east US and Gulf of Mexico designed to simulate an invasion of Haiti, writes Jeremy Kahn from Washington. Similar rehearsals were conducted before the US invasion of Panama in 1989. The White House insists it is still pursuing economic sanctions against Haiti's military junta and that armed intervention is not imminent. A Navy amphibious assault group carrying 2,000 Marines meanwhile, set sail yesterday for Haiti's waters, where it will be on station in the event US citizens or other foreigners need to be evacuated from the troubled country.

Causes of war still festering after Aden's fall

Resistance will feed off south's alienation, writes Eric Watkins

For weeks Yemen's civil war had come increasingly to be a race between opposing military and diplomatic forces. Anxious to avoid any foreign intervention, the north had to secure a military victory as quickly as possible, while the south, aiming for international recognition, had to stave off military defeat as long as it could.

With the fall of Aden, the northern generals seem to have won. However, even in the teeth of apparent defeat, southern political leaders insist they are not vanquished.

"People are resisting in many places and south Yemen is a vast area," said Mr Haydar Abu Bakr al-Attas, the southern prime minister, in an interview on Wednesday, a day before the fall of his capital. His words were echoed by Mr Mohsen Farid, the deputy premier, who said, "Maybe the battle is over, but the war is not."

Indeed, the northern forces, essentially an army of occupation, may well find themselves increasingly the targets of a small and determined south Yemeni resistance.

Now reported to be seeking asylum in neighbouring Oman, Mr al-Biedh may be able to regroup his scattered leaders and organise a guerrilla movement which will give General Ali Abdullah Saleh, the northern leader, nightmares for years to come.

The northern leadership, claiming its victory over the south, insists its aims are unity, stability, and democracy. It will be a long slog. Not least, it will have to overcome the country's chronic economic malaise, made worse by the two-month war.

Inflation has spiralled to some 400 per cent over the past four years and promises to rise even more. War damage has added to the difficulties. The Aden refinery, bombed out of commission by northern aircraft, used to meet the country's domestic fuel requirement of 65,000 b/d. Now, while searching for the funds to repair that damage, the country will have to import petrol, using up scarce hard-currency reserves.

Yemen's civil war, which began on April 27 with the decimation of southern military units placed in the north, has been an acrimonious and bloody fight. Neither side has released casualty figures, but aid workers put the total in the tens of thousands of dead and wounded. It will create lasting acrimony.

"Lots of blood has been shed. They need to put the past behind them as fast as possible," says Mr Lakhdar Librahimi, the United Nations special envoy to Yemen. Good but, perhaps, hasty advice.

Since the unification of the north and the south in May 1990, southerners have increasingly felt left out of the country's economic and political mainstream, certain that the northern leadership has intentionally cut them adrift. It was such feelings of marginalisation which led to the southerners' desire to separate from the north again.

Without resolution of the country's underlying political and economic problems – the very problems which brought on the war – Yemen is likely to remain disunited, unstable, and undemocratic for many more years to come. And Mr al-Biedh remains in the wings.

Li Peng fails to face protesters in Berlin

By Michael Lindemann in Bonn

China's Premier Li Peng failed to appear at the Brandenburg Gate in Berlin yesterday, where some 200 human rights protesters gathered with banners branding him a "mass murderer" and the "butcher of Tiananmen".

On the fourth day of his tour of Germany, Mr Li became the first visiting dignitary to a reunited Berlin to miss a stroll through the gate, symbol of the city's former cold war division. A surprised Berlin mayor, Mr Eberhard Diepgen, was left waiting for the Chinese party, which flew on to Weimar.

There, Mr Li interrupted a speech by the curator of the city's museum, who referred to the writer Goethe's work on human rights. "I know Goethe's work," Mr Li said angrily. "I want to see how Goethe worked and lived."

During three days in Bonn, the Chinese delegation signed contracts and letters of intent worth $3.5bn. Chancellor Helmut Kohl and Mr Klaus Kinkel, his foreign minister, raised the question of human rights in talks with the Chinese leader, but the issue did not head the agenda.

Mr Norbert Blüm, employment minister, took a hard line: "There is no business deal big enough to make us forget the slaughter on Tiananmen Square" in 1989, he said in a newspaper interview. Mr Li cancelled an official lunch in Weimar and left three hours early for Munich, the last stop on his six-day tour.

● Mr Qian Qichen, Chinese foreign minister and vice-premier, again denouncing the democratic reform bill passed by Hong Kong's legislature, ordered an advisory body yesterday to study ways to put a new parliament in the colony after it returns to China in 1997, Reuter adds from Beijing.

Mr Qian said the narrow passage of the reform bill on June 30, three years to the day before Beijing takes back Hong Kong from London, proved the plans did not have great support.

Conservatives in Hong Kong's legislature narrowly failed to water down radically the proposals put forward by Governor Chris Patten that have enraged China. Mr Patten's legislation finally went through by an eight-vote margin.

"This plan was passed by a slender majority, proving that 'the Patten plan is accepted by the majority of the people' is nothing but a lie," Mr Qian told a meeting of the Preliminary Working Committee, an advisory group helping China plan Hong Kong's transition.

A young Rwandan boy, his mother wearing a dress which depicts the Pope, during mass in a refugee camp near Gikongoro. Mr Faustin Twagiramungu, backed by Rwanda's victorious rebels as prime minister, appealed to the US yesterday to join a new UN peacekeeping mission in the country and said French forces should leave. "I appeal to the big powers, especially the United States, to assume completely their responsibilities and send soldiers to Rwanda and not say that Africans should do it alone," he told Reuters Television in an interview. *Picture: Reuter*

Palestinian leaders jostle to hold economic reins

Julian Ozanne speaks to the finance minister

Palestinians are determined to resist World Bank and international pressure and impose their own priorities on economic development and the allocation of foreign aid, according to the new Palestinian finance minister.

In an interview Mr Mohammed Nashashibi called for donors urgently to give more money to the embryonic self-rule authority, warned about the difficulties of stringent tax collection demanded by donors, and said he favoured renegotiating the free-trade economic agreement with Israel to allow Palestinians to protect their industry.

Mr Nashashibi's remarks came as the controversial Palestinian Economic Council for Development and Reconstruction (Pecdar) – the body originally empowered to implement, monitor and co-ordinate aid-funded projects worth $2.4bn (£1.57bn) over five years – came under renewed pressure after Mr Hassan Abu Libdeh, Pecdar deputy managing director, threatened to resign.

Mr Libdeh's threat is the result of continuing political infighting within the Palestine Liberation Organisation over who will wield power over economic development. At the heart of the matter lies a struggle between Palestinian economic ministers and fears that Mr Yassir Arafat, PLO chairman, will not desist from intervention in economics.

Mr Nashashibi, a 60-year-old Arafat loyalist and former banker, said there had been a World Bank campaign to influence the composition of Pecdar to marginalise the PLO political leadership in favour of technocrats. The PLO had resisted this and would do so in the future.

"There was an attempt to prevent the political leadership from taking a leading role in building the economy and they preferred to have technocrats dealing with the World Bank without political sponsorship of the leadership," he said. "This is not acceptable in any part of the world and it will not succeed with us."

Mr Nashashibi, a PLO executive member since 1972, said the PLO's determination to inject its political priorities into economic development had nothing to do with donor concerns about transparency and accountability.

"There will be no transactions under the table. Everything will be over the table and we have internal and external auditing and proper procurement procedures. Now the system is so open and so clear."

Nashashibi: Let borders close

The minister also said the Palestinian Finance Ministry was taking greater authority over Pecdar and would be in control of the budget and of negotiations over foreign funding of the estimated budget deficit of $168m.

Mr Nashashibi's growing power over finances, aid and Pecdar at the expense of Mr Ahmed Qurie, economics and trade minister, may be one reason behind Mr Libdeh's threatened resignation.

Mr Libdeh refused to indicate yesterday whether he was departing but said: "We have to define roles in a very definite way. Regardless of who is in control everybody must work towards the same programme, otherwise the thing will blow up and the losers will be our people sitting at home hoping for results."

Mr Nashashibi, who studied at Ruskin College, Oxford, warned that the fragile peace process would quickly collapse unless donors immediately started disbursing aid promised for projects. Pecdar has presented donors with a list of emergency projects and plans to issue tenders for projects worth $200m in the next few weeks.

"Our people need to see something – not simply meetings in Washington and Paris," the minister said. "After one month, if we do not implement projects, I think the Gaza people will kick us out. What are the donors waiting for?"

Mr Nashashibi also warned that the PLO still did not have enough money to meet the costs of running self-rule in Gaza and Jericho, particularly paying salaries to civil servants and 9,000 Palestinian police. Of the estimated budget deficit of $168m, donors have committed $133m, with $61m in a special fund administered by the World Bank and named after Mr Johan Jorgen Holst, the late Norwegian foreign minister. After long talks the World Bank agreed that the PLO draw down the Holst fund by $13m a month – a sum the PLO claims is still insufficient.

Mr Nashashibi said he had paid the civil servants for July but did not have enough money to pay the policemen. He warned that the new self-rule authority would need further start-up assistance as it would be difficult to collect taxes to the level achieved under Israeli occupation.

"The way the Israelis collected taxes was inhuman and before jobs are created by projects it will be difficult to collect the taxes needed."

The minister was also critical of the PLO-Israeli free trade economic agreement which had left Palestinians without the ability to apply their own trade regime. He said he would press for a renegotiation of the agreement, even if it meant closing borders.

"Let them close the borders. I am ready to see the borders closed. The Israelis must realise they cannot continue overwhelming our economic future. How can I have my own import policy and develop industry if my market is open freely to Israeli products? You can never build your own economy if you don't protect industry."

Cambodia outlaws Khmer Rouge

By Victor Mallet in Phnom Penh

The Cambodian government will immediately ask other countries to seize Khmer Rouge assets and extradite to Cambodia Khmer Rouge guerrillas on their territory, it said yesterday. The move came after the national assembly formally outlawed the Khmer Rouge organisation.

The plea for asset seizures by Prince Norodom Ranariddh, senior premier in Cambodia's coalition government, is directed mainly at Thailand, but is likely to be coolly received by Thai army generals. This week, Gen Wimol Wongwanich, Thai army commander, denounced Mr Morton Abramowitz, former US ambassador to Thailand, as a "devil" for mentioning Thailand's links to the Khmer Rouge in a US newspaper.

Thailand has long supported the Khmer Rouge and continues to do so by allowing the rebels to sell rubies and timber worth tens of millions of dollars each year from guerrilla strongholds in western Cambodia to Thai traders. The Khmer Rouge is also believed to keep some of its financial reserves in Thai banks.

Prince Ranariddh spoke after the national assembly in Phnom Penh passed a law banning the Khmer Rouge.

The Khmer Rouge's extremist leaders, blamed for the deaths of 1m Cambodians when they ruled the country between 1975 and 1978, flouted an international peace accord for Cambodia by refusing to join UN-organised elections last year. They have continued to fight against the elected government, but kept up an office in Phnom Penh until last month.

Under the new law, Khmer Rouge members face prison terms of up to 30 years for secession and fighting against the authorities, although the law provides a six-month amnesty period for rank-and-file guerrillas to surrender and allows King Sihanouk to grant amnesty at any time.

Cambodian officials not only blame Thailand for backing the Khmer Rouge. They suspect Thai involvement in a failed coup d'état last week, though the attempt appears to have been organised by Cambodian officials who opposed the Khmer Rouge and criticised their own government's weakness in dealing with the rebels.

Fourteen Thais are under arrest. The Cambodian government says it has information that nine of them are members of a "hit squad" with expertise in weapons, explosives and radio communications. The Thai Foreign Ministry said yesterday the 14 were merely tourists or people looking for work.

Mr You Hockry, interior minister, said yesterday: "They are Thai people who got involved. That is all I can say."

Mystery surrounds a 15th Thai suspect who escaped. He was named as Lt-Col Adul Boonsert of the Thai police, a former member of parliament. "He is still on active service," said Mr You Hockry, demanding an explanation from the Thai government.

Nigerian army acts on oil strike

By Paul Adams in Lagos

Nigeria's military government used troops to limit the effect of an oil workers' strike on supplies of fuel in the main cities yesterday, as the industry prepared for the stoppage to intensify.

The strike is in protest against the annulment of last year's presidential poll and the arrest two weeks ago of its deposed winner, Mr Moshood Abiola. Mr Abiola has been charged with treason after declaring himself president and is in police custody waiting for a plea for bail to be heard on July 14.

The government said yesterday it had made "special arrangements" to ensure supplies of petroleum products reached filling stations in Lagos and four other southern cities – Ibadan, Engugu, Benin and Port Harcourt – after this week's strike by Nupeng, the blue-collar oil workers' union, left most filling stations dry.

It also said that the army would be providing help to ease the fuel shortage and that three military barracks in Lagos were selling fuel directly to the public.

In line with a tough stand it has recently taken against civilian opponents, the government said that strikers who disrupted these measures would be regarded as saboteurs.

The low official price of petrol in Nigeria, equivalent to some 2p a litre, has led to smuggling abroad of refined products. Military officers have been accused of taking part in the trade.

The oil producing companies have maintained normal output of crude despite the strike by Nupeng, but the senior staff association Pengassan has now warned it will go on strike by July 13 unless the government agrees to "resolve urgently the political crisis" by upholding the result of the presidential election as well as clearing all outstanding debts to joint venture partners, estimated at $700m (£481m).

Pengassan blames recent job losses in the energy sector on the government's failure to fund its 60 per cent share of the joint ventures. "Between December and May, 3,000 members or 20 per cent of our membership have lost their jobs due to redundancies by oil service and exploration companies. These are engineers and technicians formerly employed in seismic testing, drilling and maintenance services," an official said this week.

NEWS IN BRIEF

Algerian rebels murder Italians

Suspected guerrillas have killed seven Italian sailors in their sleep during an overnight attack on their ship in Algeria, Reuter reports from Rome. It was the second biggest action against a single group of foreigners in Algeria since fighting erupted in 1992 between Islamic fundamentalists and security forces. The crew of the Naples-based Lucina had arrived to deliver grain at Jijel, east of Algiers. The deaths bring to 42 those of foreigners killed in the conflict.

Australian jobless up again

Australia's unemployment rate moved back into double digits last month, although the apparent setback was dismissed as a technical distortion, writes Nikki Tait in Sydney. Seasonally adjusted, June saw unemployment at 10 per cent, against 9.8 per cent in May. But some analysts pointed to a net 30,400 full-time jobs created during the month, with full-time employment moving back above 6m for the first time since February 1991.

Malaysian sultan sued

A Singaporean businesswoman sued a Malaysian sultan for libel yesterday over a land-sale dispute, Reuter reports from Kuala Lumpur. Ms Faridah Begum Abdullah filed the suit against Sultan Ahmad Shah of Pahang at the Malaysian supreme court registry in Kuala Lumpur. The case will be heard in a special court set up after the constitution was amended to strip royalty of legal immunity in their personal capacities last year.

S Korea's economy grows 8%

South Korea's economy grew an estimated 8 per cent in real terms in the first six months of 1994, and full-year growth will nearly match that rate, Deputy Premier Chung Jai-suk said yesterday, Reuter reports from Seoul. The 1994 estimated growth of 7.5-8 per cent compares with a 5.6 per cent GNP rise last year. The government will now give priority to stabilising prices.

Global investment flows bypass poorer developing nations

By Canute James

Finance ministers in the poorer developing countries, who have recently been lamenting the diversion of foreign investment from their regions to more developed countries, have had their fears confirmed by a study on global investment flows.

Although foreign direct investment destined for developing countries continued to rise rapidly between 1985 and 1992 at an annual rate of 23 per cent, the smaller and least developed received very little.

The study, by the International Finance Corporation, found that the increase reached 37 per cent in 1991 and 33 per cent in 1992. From a level of $8.4bn in 1985, net foreign direct investment in developing counties had expanded to $36.3bn in 1992. East Asia and Latin America were the main recipients of foreign direct investment, taking about 80 per cent.

"While investment to Latin America and East Asia continues to dominate flows, as has been true throughout the 1980s... sub-Saharan investment has been declining in relative terms, a characteristic shared by Europe, the Middle East and North Africa since 1989," the report says. "On the other hand, there has been a rapid rise in foreign direct investment destined for east European countries following the disintegration of communism."

The poorer among the developing countries are at the bottom of the list because of a combination of infrastructural and policy deficiencies. Although foreign and domestic investors are influenced by much the same factors, foreign investors differ in that they look at market size, actual or potential, as one criterion, the report says. They also tend to be sensitive to specific policy issues such as those related to foreign exchange availability and operational freedom.

Consequently, private investment tends to be more attractive in regions where strong growth has occurred and seems likely to continue, or where there are promising prospects. These regions include many of the East Asian countries, Chile, Argentina and Mexico. "There is evidence as well that private investment is a function of relative stability in country economic policies and, to some extent, in political stability more generally," it says.

"Moreover, recent research has confirmed that income inequality, by increasing the likelihood of instability, also tends to reduce private investment activity. Compared with any other region, private investment in sub-Saharan Africa remained low relative to average gross domestic product.

The study found a correlation between the deregulation of developing country economies, particularly the privatisation of state-owned economic enterprises, and the pattern of foreign investment flows. These policy changes have also encouraged increased domestic private investment.

Trends in Private Investment in Developing Countries 1994, Discussion Paper Number 20. By Robert R Miller and Mariusz A Sumlinski. International Finance Corporation, Washington

Geneva talks will determine Korean destinies

John Burton on a fine line between war and peace on the peninsula

Whether there will be war or peace on the Korean peninsula will be largely determined by a round of high-level US-North Korean talks that begins today in Geneva.

The US agreed to conduct the talks after North Korea promised two weeks ago to suspend its nuclear programme if dialogue with Washington was resumed on possible diplomatic recognition and economic aid.

The talks, in addition to the forthcoming summit on July 25-27 between the presidents of the two Koreas, have cooled tensions on the Korean peninsula after confrontation appeared imminent last month over Pyongyang's unsupervised removal of plutonium-rich nuclear fuel from its reactor.

Many observers believe the outcome of the two events may soon trigger vast regional changes. "If North Korea is unwilling to make concessions, then we are heading for a crisis. But if North Korea is ready to strike a deal, we could see an acceleration of developments that may eventually lead to the reunification of Korea," said one western diplomat in Seoul.

The US-North Korean talks will be the main test of Pyongyang's intentions. The outline of an agreement to resolve the nuclear dispute is already clear.

The US wants North Korea to return to full membership of the nuclear non-proliferation treaty and accept full international nuclear inspections. This would include checks on suspected, but undeclared, nuclear facilities, such as two nuclear waste dumps that could provide the answer to whether North Korea reprocessed plutonium to build at least one atomic device in 1989.

In return for North Korea's compliance, the US is offering a number of concessions. These include gradual normalisation of diplomatic relations beginning with the establishment of liaison offices, the lifting of the US trade embargo against Pyongyang, and US support to replace the North's plutonium-generating graphite reactors with safer light water ones.

Several obstacles have prevented this agreement being concluded earlier. One problem is procedural, with the US demanding that North Korea first accept full nuclear inspections before concessions from Washington can be implemented. In contrast, the North has demanded a package deal with both sides taking steps simultaneously.

Another concern is that the North may attempt to up the ante by making new demands at the Geneva talks, including the signing of a peace treaty formally ending the 1950-53 Korean War that would require the US to withdraw its military forces from South Korea.

One factor complicating the American negotiating stance is that it must co-ordinate its actions with those of South Korea. The US is mindful that it must not make concessions that would undercut Seoul's bargaining strength at the Pyongyang summit or weaken the defences of South Korea.

The likely US negotiating strategy will be to link the outcome of the Geneva talks with the results of the inter-Korean summit to prevent North Korea driving a wedge between Seoul and Washington.

But North Korea is certain to resist that strategy. It may refuse to make concessions to Seoul at the summit and blame lack of progress at the Geneva talks for its intransigence.

Pyongyang could also threaten to start reprocessing recently removed reactor fuel rods, with enough plutonium to make four to six nuclear devices, if Washington does not offer concessions by the end of August, when the spent fuel will be ready for reprocessing.

If the US-North Korean talks founder on these diplomatic obstacles, Washington will have little choice but to revive its suspended effort to impose UN economic sanctions against the North and increase the preparedness of US forces in South Korea for a possible military solution to the dispute.

Clash over witness in Iraq arms inquiry

By Jimmy Burns

The businessman at the centre of the Matrix Churchill case yesterday told the Scott arms-for-Iraq inquiry that Lord Trefgarne, the former trade and defence minister, had given "inaccurate" and "confused" evidence relating to the export of machine tools to Iraq.

But the credibility as a witness of Mr Paul Henderson, the former managing director of Matrix Churchill, was itself challenged by Ms Presiley Baxendale QC, Lord Justice Scott's counsel.

Mr Henderson was giving evidence in response to statements to the inquiry by Lord Trefgarne in March. The former minister said then that Mr Henderson had deceived him about the purpose of machine tools exported to Iraq by Matrix Churchill in the 1980s.

Yesterday Mr Henderson insisted that he had never personally assured the minister that the machine tools in a number of pending contracts with Iraq were for civilian use. Mr Henderson said discussions at a meeting in September 1989 had been conducted only at a general level.

Mr Henderson was repeatedly questioned about other accounts of the meeting which appeared to support Lord Trefgarne's evidence.

In a series of sharp exchanges, Ms Baxendale told Mr Henderson she could not understand how he could describe as "wrong" and "confused" an account of a meeting about which several witnesses concurred.

Mr Henderson later agreed that an account of the meeting in his recently published autobiography *The Unlikely Spy* was inaccurate. In it, he writes that he told Lord Trefgarne that the machine tools had commercial as well as military uses. Mr Henderson also stated in the book that he knew that the intelligence services had informed all relevant ministers about the military use of the tools.

After giving evidence yesterday, Mr Henderson said he was glad to have been given the opportunity to answer Lord Trefgarne's allegations.

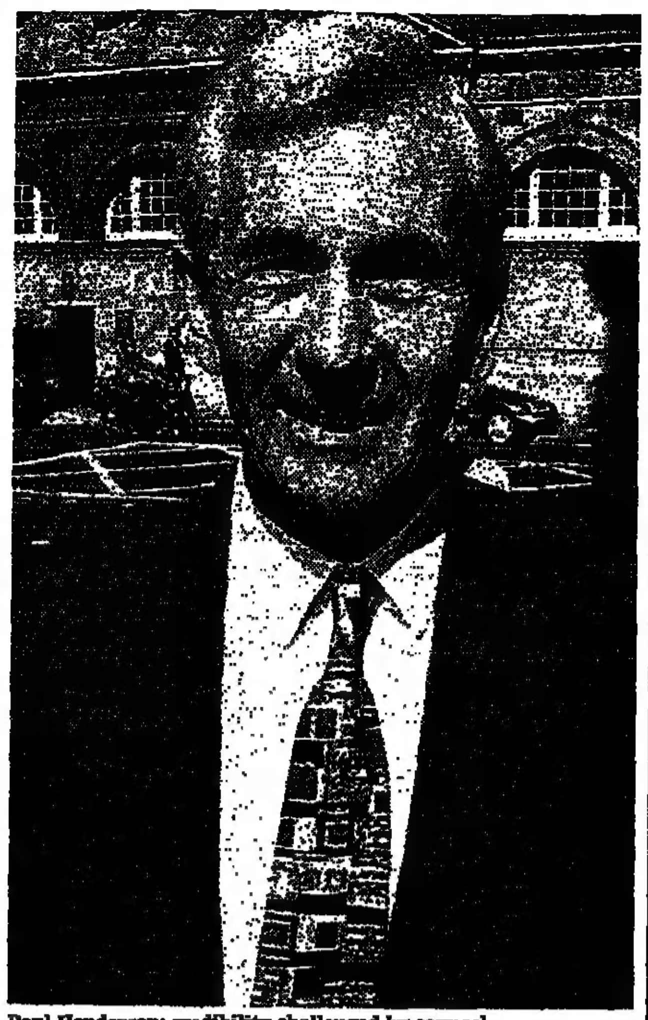
But within Whitehall, yesterday's hearing was seen as potentially mitigating the case against ministers and officials. Some feel that the full Matrix Churchill story was not sufficiently aired because the trial of Mr Henderson and other company directors collapsed before they had been cross-examined by the prosecution.

After yesterday's two-hour public hearing, Lord Justice Scott heard evidence in private from Mr Henderson about his contacts with the intelligence services.

The intelligence service MI6 is thought to have given evidence alleging that it was not fully briefed by Mr Henderson about the extent to which his company was engaged in the export of military sensitive machine tools to Iraq.

The judge has also received written evidence from Mr Mark Gutteridge, another former Matrix Churchill employee, which contradicts some of Mr Henderson's evidence.

Yesterday's hearing is expected to be the last before Lord Justice Scott prepares his report for publication at the end of the year.



Paul Henderson: credibility challenged by counsel

MPs to probe beer and wine imports

By Roland Rudd

The House of Commons Treasury committee is to launch a wide-ranging investigation into the increase in beer, wine and tobacco imports from the Continent which is costing the government millions of pounds in lost revenue.

Mr John Watts, chairman of the cross-party committee of MPs, said he was also concerned about the loss of trade to British distillers, brewers and tobacco manufacturers.

"There is evidence to suggest that much of the increase in imports from the Continent is illegal" he said. The committee plans to publish a report of its findings in the autumn.

The committee's decision to launch its review came as British companies yesterday called on the government to reduce UK excise duty.

Mr Simon Redman, chairman of Greene King, the brewing group, said: "Cheap imports of beer from the Continent are damaging the industry at a substantial cost to the Treasury."

Recent estimates suggest the the Exchequer is losing between £400m to £500m a year in lost revenue because of the increase in illegal imports.

Mr Michael Jackaman, chairman of Allied-Lyons, said excise duty rates, substantially higher than those in Europe, was encouraging cross-border shopping. "This undermines a key British industry and its contribution to the economy" he added.

Mr Watts said his committee would invite submissions from industry and well as from customs and exercise. "This is a very serious matter which is causing concern to both industry and government" he said.

The commons committee will also study the regional brewing group's proposals to the Treasury in its official 1994 Budget submission, calling for a halving of excise duty on beer as a first step towards lowering beer duty to the European average of 8 pence a pint by 1997.

The miners' mystery millionaire

By Chris Tighe and Tim Coone

The Durham Miners Gala, the biggest and most evocative annual working class demonstration in Britain, has been given a new lease of life by a wealthy businessman.

The self-made man, a New Zealander now living in Ireland, is providing substantial financial backing for tomorrow's gala, the 110th, and has offered to underwrite the event for the next two years. In addition to this pledge, which may cost him more than £60,000, he has said he will consider backing the event beyond 1996.

The mystery benefactor, who has requested anonymity but will be on the gala platform tomorrow, is believed to be Mr Michael Watt. His Wimbledon-based company, CSI, is one of the leading agents representing sporting organisations selling broadcast rights to television companies. Staff at Mr Watt's London office confirmed yesterday he was to attend the gala.

Mr Watt recently represented Rugby Union authorities when they invited tenders for the television rights of the five nations tournament. He has also represented the West Indian cricket board in Test Match coverage.

Mr Watt is the owner of several successful racehorses, including Loki, whose trainer Mr Dermot Weld is one of Ireland's better-known racehorse trainers.

Earlier this week, Mr Watt sponsored two races at the Bellewstown racetrack in the Irish midlands under the title of the Durham Miners Gala Festival Extended Handicap. An I£5,000 prize went to the winner of each race.

The benefactor came forward after leaders of the National Union of Mineworkers in the north east, faced with the sudden demise of the Durham coalfield's remaining pits, appealed for help in staging the £20,000 gala, an event with a strong socialist flavour.

"He's an excellent bloke," Mr Dave Hopper, general secretary of the north east NUM, said yesterday.

"He has a very strong commitment to working class people. He's a very committed trade unionist, he's been through the mill and understands what workers are about. He feels the miners have had a very raw deal."

Mr Hopper said the man slept rough on coming to England, then worked on construction sites and oil rigs where he met many Geordies including ex-miners.

Mr Hopper said there was now "every probability" this year's gala would not be the last but a final decision would be based on public attendance at tomorrow's event. The financial appeal produced interest from various companies, but the NUM declined commercial exploitation of the gala.

Labour's leaders have not attended since 1987 but Mr John Prescott, a leadership contender, will march tomorrow behind the banner of Wearmouth, the last Durham coalfield pit to close. His rival, Mr Tony Blair, is likely to march behind the Fishburn banner, a former pit in his Sedgefield, Durham, constituency.

Britain in brief

Rail units set for sale next year

The three companies which will own and lease British Rail passenger rolling stock to train operating companies are to be sold to the private sector next year, Mr John MacGregor, transport secretary, said yesterday.

The government has put a value of £3bn on BR's rolling stock assets, a high figure intended to smooth the shift towards a commercial leasing market for locomotives, freight wagons and carriages.

By valuing BR's often aged rolling stock at what it calls modern equivalent asset value, the same formula chosen for the track and other infrastructure owned by Railtrack, the government believes that train operators will have an incentive to invest in new rolling stock.

Under the leasing regime planned by the government, train operators would sign lease agreements, probably for about seven years. When these agreements expire the operators would renegotiate new ones with the by now privately owned leasing companies.

Part-time forces may go abroad

The Ministry of Defence is to clear the way for part-time volunteers to serve alongside regular forces overseas as part of its current restructuring of the British armed forces.

With less than a week to go before the publication of a major package of defence cuts, it emerged at Westminster yesterday that ministers are planning to make more flexible use of reservists in frontline operations.

Meanwhile, the Foreign Office is set to contribute £200m more than it budgeted for to United Nations peacekeeping operations this year, forcing it to draw on the government's £3.5bn contingency reserve.

Mr Alastair Goodlad, Foreign Office minister, said that the Foreign Office diplomatic-wing cash limit on "other external relations" for 1994-95 would be almost doubled from £211.4m to £415.5m.

This was mainly to take account of contributions to UN peacekeeping operations.

More than half the increase is attributable to the UN protection force in the former Yugoslavia. But contributions to UN operations as far afield as Haiti, Rwanda and Nagorno-Karabakh are also taken into account.

Judges' role under scrutiny

Sir Thomas Bingham, Master of the Rolls, yesterday called for judges to be given greater control over the management of cases to cut costs and delays which dog the English civil justice system.

Lord Woolf, the law lord who is conducting a review of the civil justice system at the request of Lord Mackay, the Lord Chancellor, has suggested the creation of a special class of "procedural judges" to control the conduct of cases up to trial.

But Sir Thomas, England's most senior civil court judge, said pre-trial control should be exercised by the trial judge. It was important for the same judge to be in charge throughout.

MPs say ports sold off cheaply

The government failed to obtain the best price for five ports sold to the private sector in 1992, a cross-party committee of MPs found yesterday.

The sale agreements also failed to take sufficient account of the interests of employees who were encouraged to buy shares in their companies, according to a report by the Commons public accounts committee.

The trust ports of Tees and Hartlepool, Clyde, Forth, Medway and the Port of London were sold for £380m of which £169m went in the form of a levy to the government.

The committee said it was concerned that in two of the five sales the price reached was below the lower benchmark valuation which had been made. The upper benchmark was achieved in only one of the sales.

IOD sees fall in optimism

Directors are slightly less optimistic about their companies' prospects and about the economy than they were in the spring, a survey from the Institute of Directors has found.

Only 44 per cent of 300 directors surveyed last month were more optimistic about the economy than six months ago, compared with 51 per cent in April. Political uncertainty and government mismanagement were the factors cited by those who were more pessimistic.

The proportion of directors who were more optimistic about their companies' prospects fell slightly to 61 per cent, from 63 per cent in April. However 47 per cent expect to take on more employees in the next six months, compared with 44 per cent in April.

The directors reported a continuing improvement in their companies' performance. Seventy per cent said the volume of business had increased over six months, the same as in April.

Records set at furniture sale

Part of a suite of furniture designed by Chippendale in the 1770s for Brocket Hall in Hertfordshire sold for £759,500 at Christie's yesterday.

New auction records were set for a pair of giltwood torchères, or candlestands – which made £177,500 – and for two pairs of chairs, which sold for £166,500 and £161,000 respectively. A pair of sofas realised £254,000. Prices were roughly double their estimates.

In the same auction of English furniture, a set of 12 mahogany dining chairs, after a design by Thomas Sheraton, sold for a record £463,500. In 1984 Christie's sold them for £75,600. The auction totalled more than £3.2m, and was almost 90 per cent sold by value, confirming furniture as one of the strongest sectors of the antique market.

Major promises renewed public spending squeeze

By Philip Stephens, Political Editor

Prime minister John Major last night sought to capitalise on the recent upturn in his political fortunes within the Tory party with the promise of a renewed squeeze on public spending to pave the way income tax cuts.

In a confident end-of-term address to Tory MPs, the prime minister pledged to put "clear water" between the Conservatives and Labour before the general election due by mid-1997.

Confirming the rightwards tilt in his political strategy evident in recent weeks, Mr Major said the government would begin as early as this autumn preparations for its election manifesto. A range of policy committees would be established to reconnect the party's priorities with the pre-occupations of its grass-roots supporters.

His comments attracted strong applause from a packed audience of backbench MPs, with those on the right of the party claiming that Mr Major had heeded their warnings not to fight Labour for the political centre ground.

Erstwhile enemies on the Eurosceptic right said that the prime minister had further diminished the prospect of any challenge to his leadership in the autumn.

Anticipating the election of Mr Tony Blair as Labour leader Mr Major said his aim would be to give clearer definition and distinction to the Tory message. That meant a "compact" legislative programme for the next session of parliament in the autumn focusing on a number of key priorities.

He gave no timetable for the implementation of tax cuts but MPs at the meeting said he left the deliberate impression that some reduction would be possible before the next election.

Mr Major said that the £15bn which the government had cut last November from spending plans over the next three years was not enough.

Mr Major, whose political authority has been strengthened in recent weeks by his use of the British veto at the Corfu European summit, also stressed that he would continue to press the case for a flexible rather than centralised European Union.

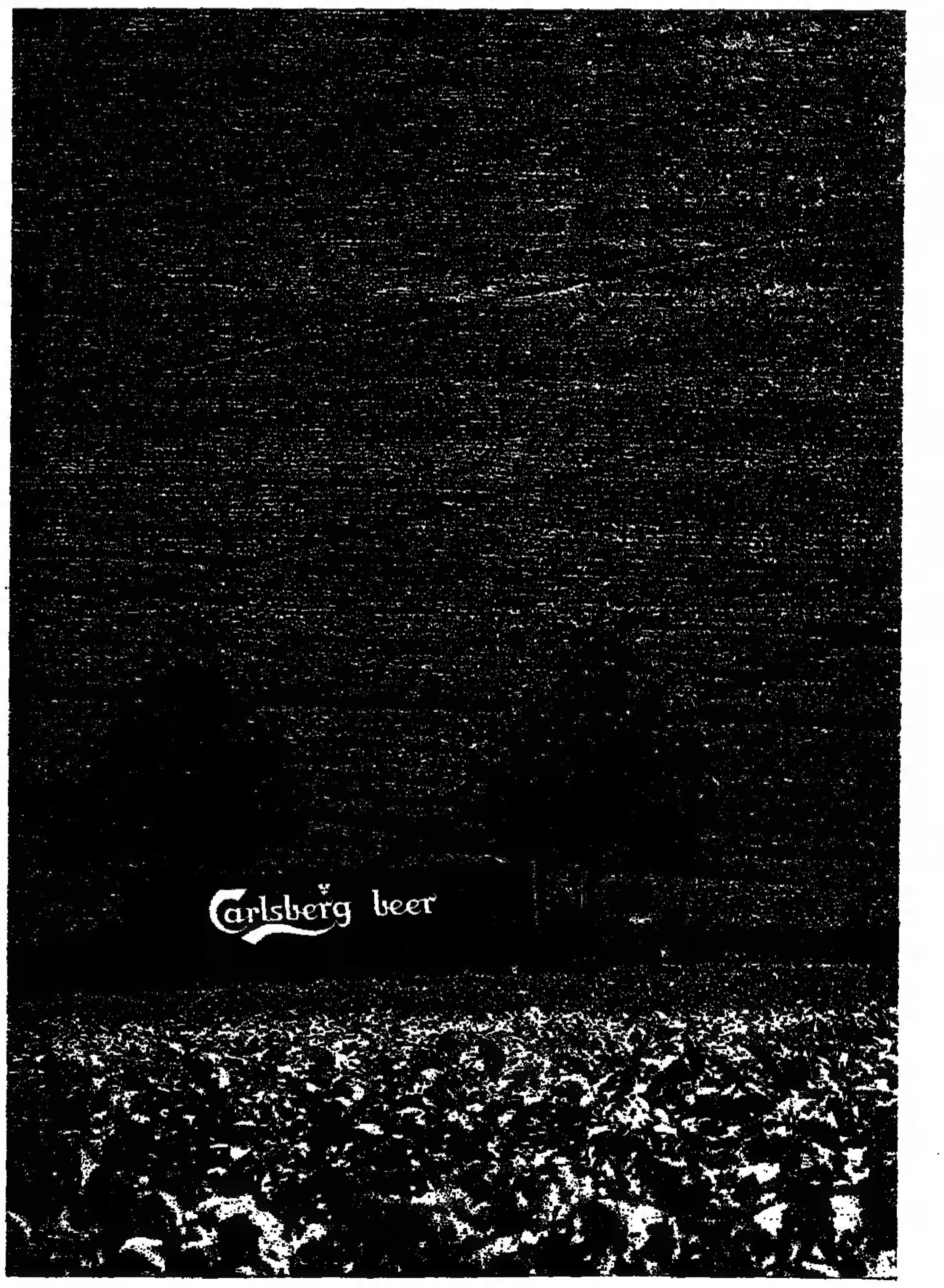
He dismissed as "futile" arguments over whether Britain should be in Europe's fast or slow lanes insisting that "people cannot be taken too far or too fast in a direction they are instinctively loathe to go". Instead Britain would insist Europe took the "right track".

Mr James Molyneaux, leader of the Ulster Unionist party, yesterday urged the government to think again about proposals for cross-border co-operation in Ireland in the light of Dublin's handling of a dispute over horseracing.

Mr Molyneaux used a parliamentary early-day motion to highlight the Irish government's failure to act "in a fair and honourable manner" over nominations to the Irish Racing Authority.

He called on the British government to "reconsider proposals for co-operation between the two administrations in Ireland" in the light of the way Dublin had acted.

It emerged earlier this week that the UK government has virtually given up hope of agreeing with Dublin the framework for a comprehensive settlement in time for the next Anglo-Irish summit later this month.



BBC considering launch of wide-screen 24-hour news service

Raymond Snoddy reports that the Corporation is attempting to raise finance for such a project

The BBC is seriously considering launching a 24-hour television news service using wide-screen digital technology.

The corporation is currently trying to raise finance for the project. Talks will continue this year between the BBC and the government to see how digital services could be introduced and paid for.

If approved the technology would also be used to transmit BBC1 and BBC2. It would viewers enhanced coverage of everything from sport to drama – with a picture rather like the shape of a cinema screen.

An indication of how seriously the BBC is taking the introduction of possible new digital services is that Mr Michael Starks, has been put in charge of the project. Mr Starks was responsible for implementing the controversial "producer choice" initiative – which gave producers the freedom to buy services in the outside market. The change has been credited with making huge savings at the corporation.

Mr John Birt, BBC director-general, confirmed yesterday that the BBC was seriously interested in launching wide-screen services using digital technology. He declined to elaborate, however, on what additional services were being considered for a wide-screen service in addition to BBC1 and BBC2.

The introduction of wide-screen services would cost hundreds of millions of pounds because of re-equipping both studios and transmitters.

One avenue of finance was cut off on Wednesday with the publication of the government white paper on the BBC. This said the licence fee could not be increased to pay for digital services. This leaves the possibility of raising money through transmitter privatisation or ventures with private operators.

Mr Birt stressed that he did not regard the white paper as a vindication of his personal policies and reforms.

He said it was a group effort. "It's what all of us at the BBC worked hard on over a long period of time," he said. "We developed a consensus, not just in government, but outside."

Mr Birt also cleared up one uncertainty in the white paper – a paragraph that gave both the Independent Television Commission and the Radio Authority the right to licence services owned or partly owned by the BBC. This is largely a technicality – and does not mean that the BBC will be applying for commercial television or radio licences, even if that was theoretically possible.

Currently the ITC is forbidden by law from licencing BBC satellite services in the UK, so this has to be done by the National Heritage Department – a responsibility it no longer wants.

MANAGEMENT

Jean Louis Barsoux offers advice on working in multicultural teams

Start slow, end fast

When 3M recently restructured its European operations employing 21,000 people, it limited relocation to fewer than 40 managers. Yet about 1,000 of its managers have been given permanent and/or project responsibilities across national borders.

Increasingly, companies are asking employees to participate in multiple work groups – project teams, task forces, steering committees, commissions and boards – which transcend national boundaries.

The idea, confirmed by research, is that cultural diversity promotes creativity, overcomes group-think and leads to better decision making. "Establishing a situation that is unfamiliar and slightly uncomfortable forces people to look at things differently", says Irene Rodgers of the Paris-based consultancy ICM.

The gains from diversity, however, are not automatic. In order to fulfill their creative potential, multicultural teams have to overcome barriers that uniform teams resolve quickly, often instinctively. They have to confront differences in attitudes, values, behaviour, experience, background, and expectations, as well as language. The team's biggest problem though is the lack of trust. Multicultural team members often find it difficult to overcome long-held prejudices and stereotypes about people who speak and behave strangely and have different ideas from themselves.

From the very inception of the team, members will have different views about how to build up the level of trust – and about how much time should be devoted to relationship building prior to "getting down to business".

North American managers, for instance, tend to have an instrumental view of relationships. Teams can be put together mechanistically and expected to function effectively, or fixed if they fail to do so. The directness of the team-building approach reflects the directness of American culture.

Members from more relationship-oriented cultures such as southern Europe, the Middle East or Latin America may feel rushed or distrustful of colleagues if the getting-to-know-each-other phase is curtailed.

What is more, artificial efforts to speed up that team-building process may backfire. Consider the example of a French medical equipment maker, taken over by General Electric in 1988. GE decided to boost the morale of its new French employees by organising a training seminar for French and other European managers.

In their hotel rooms, the company left colourful T-shirts emblazoned with the GE slogan "Go for One". A note urged the managers to wear the T-shirts "to show that you are members of the team". The French managers wore them, grudgingly, to the seminar, but as one of them recalled: "It was like Hitler was back, forcing us to wear uniforms. It was humiliating."

The build-up of trust may prove especially problematic if it is a project team which only meets periodically. Not only will opportunities to develop trust be restricted, the need for trust will be higher since individuals rely on one another to advance work outside the formal meetings.

Trust is universally important but it is built up and sustained in different ways. For instance, in Germany, trust is heavily biased towards a person's dependability. Delivering on promises, honesty and punctuality all increase trust. If a task is not going to be completed by a promised date, the deadline must be renegotiated in advance to let people make arrangements. In other cultures, where time is more elastic, and words and statements taken less literally, not meeting a deadline is not critical and will not necessarily lead to a loss of trust.

A further problem is that cultural misunderstandings often happen in situations where trust may already be low. Disagreement and suspicion may therefore be magnified out of proportion. The misunderstanding serves as additional proof of lack of trustworthiness. There is no benefit of the doubt.

As Rodgers saw it: "People get hung up on a word and it flies up into a huge event, and becomes a focus for all sorts of displaced anger and frustration – a bit like domestic quarrels caused by leaving the lid off the toothpaste."

In America and Europe, trust is usually enhanced by looking people in the eye. This is considered a sign of respect and sincerity. But in East Asia, for instance, eye contact indicates anger or aggression.

That makes it easy to misinterpret cultural problems for personality differences. A manager may consider a colleague to be awkward or sabotaging group efforts when that person is merely responding to cultural upbringing and beliefs.

Digging into cultural differences is a high-risk activity for the team since all sorts of value-laden differences and prejudices can come to the surface.

Multicultural teams, therefore, have to find ways of describing and surfacing differences in a depersonalised way. For instance, one multicultural team of MBA students was exposed to the idea that cultures may have a polychronic (flexible) versus a monochronic (rigid) view of time.

An Italian student who turned up late to a session was teased about being polychronic. This served to mark his "violation" of team norms without attacking him personally. His colleagues gave him the "benefit of the doubt" by ascribing his lateness to cultural programming rather than to the individual's own behaviour.

Humour can also provide a means of putting the cultural differences "on the table". The level of shared humour within a group, therefore, serves as a kind of barometer of team integration. "If a team has reached a high level of emotional security and members can laugh, joke, question and play devil's advocate with each other while completing the task, then it has done well," observes Sue Canney Davison of the London Business School.

Every culture has its own particular insights and blind spots. So it is a question of using these differences, not just living with them. In neglecting to work through these differences at the beginning, multicultural teams are storing up problems for later.

All this may sound rather time-consuming but, as Canney Davison comments: "You have to start slowly and end faster; by starting too fast, you run the risk of not ending at all."

The author is a research fellow at Insead.

The CSA has faced severe administrative problems, writes **James Blitz**

Trouble with the children

Ros Hepplewhite, chief executive of the UK's Child Support Agency, apologised this week for the anguish her organisation has caused to divided families over the last year.

But despite promising wide-ranging changes to the CSA's operations – including more staff and greater government funding – many MPs wonder whether the most unpopular executive agency in Whitehall faces management problems that will only be solved by a root-and-branch reform later this year.

Presenting the agency's first annual report this week, Hepplewhite admitted that the CSA – which was set up to force absent fathers to pay maintenance to their former families – had recently caused more anguish than any other government department.

The agency – which operates under the Department of Social Security – has been accused of making inaccurate assessments of how much absent fathers should pay; of being unnecessarily heavy-handed in its dealings with applicants; and of being unable to answer telephone calls and letters from parents and MPs.

Hepplewhite also admitted the agency had not provided basic financial information to parliament about its overall operations. In the report, the CSA did not give a final figure for how much has been paid in maintenance over the last year. Nor did it give a firm figure for the benefit savings that higher maintenance payments had created for the Treasury.

The CSA's problems were exacerbated by the speed with which the organisation was set up in the wake of the Child Support Act. Hepplewhite admitted that the organisation had started operating in April 1993, without all the management information that was desirable at the time.

She has pledged to introduce changes. Seven-hundred staff are to be taken on to help process applications. Andersen Consulting, the management consultants, will advise on changes. And a new computer will help to collate the financial and accounting information that parliament needs.

But will these changes put the organisation on a more stable footing? One of the biggest problems for the CSA is that piecemeal changes tend to slow down the organisation in the short term.

Earlier this year, the government introduced a number of specific policy changes to the CSA's operations, including a change in the formula by which maintenance payments are made.

However, as the CSA said in its report: "Implementing these changes obliged us to reconsider the assessments we had made in our first 10 months, and staff had to be diverted away from processing new applications."

Any alteration to the rules can also discourage absent fathers from making their required maintenance payments because they believe the law is subject to regular change.

Moreover, some MPs argue that there is a conflict in the CSA's twin goals of enforcing maintenance payments on absent fathers and creating benefit savings for the Treasury.

According to Hepplewhite, the CSA operated at a slower pace in its first three months to ensure its systems were operating effectively. But, it was discovered that the organisation was failing to meet targets for benefit savings that had been set by the government.

More effort was put into processing the volume of applications. But, as a result, there was less emphasis on ensuring that each CSA worker processed a single application for maintenance from beginning to end, thereby reducing the quality of customer service.

This conflict of goals may be at the heart of the organisation's problems. As one MP put it: "Mrs Hepplewhite may hope that her changes will improve the CSA. But what is really needed is a change in the tasks it has been set by the government."

. . . and politicians too

Managers in Britain's public services say they are under pressure from their political masters.

Almost half those contacted for a research study to be published next week believe their ability to resist political interference in operational decisions has declined over the last three years. Only 10 per cent felt that ability had increased.

This is despite the apparent relaxation of authority and transfer of power from central government which has accompanied the radical restructuring of Britain's public sector in recent years.

The survey, carried out by the Institute of Management and the Centre for Public Services Management at London's South Bank University, is expected to show that a majority of those public-sector managers polled are nevertheless willing to accept and implement change. Many principles, such as a new responsiveness to customer needs, are being established and the pressure for efficiency is producing benefits. But it is also causing problems for those managing the new policies.

The survey will propose that public-sector managers receive more management development support and specifically more training for dealing with politicians and project management and working in teams. It will show that while there has been increased use of quality management techniques, staff appraisal and team working managers in the public sector have not on the whole been empowered to change the more direct means of control – the hiring and firing of staff.

The report will also suggest there is a need for new, revised and strengthened codes of ethics for public-sector managers. The public sector needs clear guidelines on corporate governance to define clearly the rights and responsibilities of all parties involved in managing institutions in the public interest.

Tim Dickson

INVITATION

OF EXPRESSIONS OF INTEREST FOR THE PURCHASE OF THE ASSETS OF LUIGI FRANCHI SPA CURRENTLY IN EXTRAORDINARY ADMINISTRATION (SIMILAR TO U.S. CHAPTER 11 OR U.K. ADMINISTRATION)

The trustees of Luigi Franchi Spa, currently in Extraordinary Administration according to Italian law

invite

expressions of interest for the purchase of the assets of the company.

It is important that interested parties be aware that the principal objectives of the Extraordinary Administration procedure, under which the trustees are initiating the sales process, are the following:

1) the realization of value for creditors;

2) protection of the employment of the actual workforce as far as the situation permits.

Therefore eventual offers to purchase the assets of the company will be valued on the basis of both the above criteria.

A short memorandum, available in English and Italian, contains further details.

The current invitation is subject to the following conditions:

1) at this stage the trustees require a simple indication of interest rather than an offer;
2) the invitation is addressed only to companies suitable from a financial and commercial point of view;
3) the interest expressed must be for the entirety of the assets (or such subsets as may be detailed in the memorandum);
4) agents are excluded;
5) interested parties can request a short memorandum (referred to above) from the trustees which contains further details;
6) interested parties must present the declaration of interest by August 25, 1994;
7) interested parties must attach the following documentation to their expression of interest:
   - articles of association
   - company statutes
   - accounts for the years 1992 and 1993;
8) all correspondence, communication and expressions of interest must be addressed to the following:

Collegio dei Commissari di Luigi Franchi S.p.A. in Amministrazione Straordinaria
presso Studio Martellini
Via Fatebenefratelli 15
20121 Milano
Italy

The above invitation and the process of assets sale that may result are subject to Italian law and are under the jurisdiction of the Court of Brescia.

For the Trustees of Luigi Franchi S.p.A. in Extraordinary Administration,
Antonio BUGINI
Andrea CARLI
Maria MARTELLINI

INVITATION

OF EXPRESSIONS OF INTEREST FOR THE PURCHASE OF THE ASSETS OF SOCIMI SPA CURRENTLY IN EXTRAORDINARY ADMINISTRATION (SIMILAR TO U.S. CHAPTER 11 OR U.K. ADMINISTRATION)

The trustees of Socimi S.p.A., currently in Extraordinary Administration according to Italian law

invite

expressions of interest for the purchase of the assets of the company.

It is important that interested parties be aware that the principal objectives of the Extraordinary Administration procedure, under which the trustees are initiating the sales process, are the following:

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   - company statutes
   - accounts for the years 1992 and 1993;
8) all correspondence, communication and expressions of interest must be addressed to the following:

Collegio dei Commissari di Socimi S.p.A. in Amministrazione Straordinaria
presso Studio Martellini
Via Fatebenefratelli 15
20121 Milano
Italy

The above invitation and the process of assets sale that may result are subject to Italian law and are under the jurisdiction of the Court of Milan.

For the Trustees of Socimi S.p.A. in Extraordinary Administration,
Antonio BUGINI
Andrea CARLI
Maria MARTELLINI

BUSINESSES FOR SALE

ALNA GROUP
Broxburn, West Lothian

Following their appointment on 4th July, the Joint Receivers offer the business and assets of Alna Business (Holdings) Ltd and subsidiaries for sale as a going concern.

Principal features include:

- Quality colour printing, stationery, office automation and furniture divisions
- Excellent customer base with over 4,000 customers, including many blue chip accounts, throughout UK, principally Scotland
- Turnover of circa £6.5m trading at break even per management accounts to 31st March 1994, forecast turnover in excess of £8m for current year
- Custom built freehold property of 54,500 sq. ft. on 4.5 acre site. Excellent location with quick access to M8, M9, M90 and Edinburgh Airport
- Premium plant and equipment
- Motor vehicles and stock
- Long established business (1955)

For further information contact the Joint Receivers, Tom MacLennan or Kenneth Craig, Scott Oswald, 1 Royal Terrace, Edinburgh EH7 5AD. Tel: 031 557 4455. Fax: 031 556 0662.

Authorised to conduct investment business by the Institute of Chartered Accountants of Scotland.

SCOTT OSWALD & CO
CHARTERED ACCOUNTANTS

Engineering Fabricators
Middlesbrough, Teeside

Comprising work related to: Offshore, Petrochemical, Power Generation and Pharmaceutical Industries.
The business and assets of TS Engineering Industries Limited (In Administration) are offered for sale as a going concern.

- Freehold property.
- Well equipped facility, incorporating extensive overhead cranage.
- Annual turnover circa £2.5m.
- Established client base.
- BS5750: Part 2.

For further details contact the Joint Administrators:

Ian R. Turner, Grant Thornton, Higham House, Higham Place, Newcastle upon Tyne, NE1 8EE.
Tel: 091 261 2631 Fax: 091 232 6903.

Grant Thornton

Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

John F. Powell, Coopers & Lybrand, Hadrian House, Higham Place, Newcastle upon Tyne, NE1 8BP.
Tel: 091 261 2121 Fax: 091 230 5993.

Coopers & Lybrand

The main firm is Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

High Volume Tourist/Holiday Gift products Manufacturer & Distributor
FOR SALE

Very profitable niche markets with a high quality/turnover customer base. Excellent development potential.
Based in the South West with twenty employees.
Ten year track record.
Principals only please.

Write to: Box B2979, Financial Times, One Southwark Bridge, London SE1 9HL.

Leisure Related Business For Sale

Located on a busy north west trunk road within its own freehold site, this 30 year old well established business is the market leader in the UK. Annual sales of circa £8m with excellent profits make this a rare opportunity to acquire a genuinely well managed and profitable business.

Principals only NO AGENTS on

061 905 3438

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In oper. 25+ yrs, Co has excel, highly visible reputation.
Cust inclu. restaurants, speciality grocers, convenience stores, & gift shops. 90% repeat biz. Limited competition. Easily mng'd biz.
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Mark Sorenson (US Fax) 714-497-8925.

WEST LEEDS

Established specialist engineering business with associated freehold premises for sale.
Sales in year to 31/3/94 - £500K
gross profit £145K
Offers in region of £495,000

Whittle Jones
Chartered Surveyors
3 Lisbon Square, Leeds LS1 4LY
0532 456787

COMMERCIAL BODY REPAIR/SPRAY WORKSHOP
BRISTOL

Over 7,000 sq. ft. Turnover £273,000. Gross profit of 34.5%. Available net profit £29,000. Leasehold £59,950 or Freehold £270,000.

For full details contact Lakey and Co.
0454 315651

MULTIMEDIA COMPUTER COMPANY FOR SALE

T/O 400K.
Excellent growth potential.
London based with nationwide corporate customers.

Write to: Box B2981, Financial Times, One Southwark Bridge, London SE1 9HL.

LEGAL NOTICES

In the High Court of Justice No 003954 of 1994
Chancery Division

IN THE MATTER OF
HOECHST UK LIMITED
and
IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was presented to Her Majesty's High Court of Justice, Chancery Division on 20th June 1994 for the confirmation of the reduction of share capital of the above named Company from £30,000,000 to £13,071,000 and the cancellation of the share premium account of £2,978,493.

AND NOTICE is further given that the said Petition is directed to be heard before Mr Registrar Buckley at the Royal Courts of Justice, Strand, London WC2A 2LL on Wednesday the 20th day of July 1994.

Any Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of capital and cancellation of share premium account should appear at the time of the hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any person requiring the same by the undermentioned Solicitors on payment of the Regulated Charge for the same.

Dated the 8th day of July 1994
CLIFFORD CHANCE
200 Aldersgate Street
London EC1A 4JJ
Ref: KO
Solicitors to the Company

In the High Court of Justice No 003953 of 1994
Chancery Division

IN THE MATTER OF NSM plc
and
IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was presented to Her Majesty's High Court of Justice, Chancery Division on 20th June 1994 for the confirmation of the cancellation of the amount of £22,478,964.64 standing to the credit of the Company's capital redemption reserve and the reduction of the share premium account by £25,585,396.36.

AND NOTICE is further given that the said Petition is directed to be heard before Mr Registrar Buckley at the Royal Courts of Justice, Strand, London WC2A 2LL on Wednesday the 20th day of July 1994.

Any Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said cancellation of the capital redemption reserve and reduction of share premium account should appear at the time of the hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any person requiring the same by the undermentioned Solicitors on payment of the Regulated Charge for the same.

Dated the 8th day of July 1994
CLIFFORD CHANCE
200 Aldersgate Street, London EC1A 4JJ
Ref: KO
Solicitors to the Company

In the High Court of Justice No 003939 of 1994
Chancery Division

IN THE MATTER OF
AEGIS GROUP PLC
and
IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on the 20th June 1994 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the Share Premium Account of the above-named company by £238,300,000.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before Mr Registrar Buckley at the Royal Courts of Justice Strand London WC2A 2LL on Wednesday the 20th July 1994.

ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of Share Premium Account should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any person requiring the same by undermentioned Solicitors on payment of the regulated charge for the same.

DATED the 5th day of July 1994
Slaughter & May
35 Basinghall Street,
London EC2V 5DB
Ref: RLH
Solicitors for the said Company

No: 0010855 of 1993
In the High Court of Justice
Chancery Division
IN THE MATTER OF
THE CHARTER REINSURANCE COMPANY LIMITED
AND
IN THE MATTER OF THE INSOLVENCY ACT 1986

Notice is hereby given that by an Order dated 23rd day of June 1994 made in the above matter Philip John Singer and Ian Douglas Barker Bond of Coopers & Lybrand, St Andrew's House, 20 St Andrew Street, LONDON, EC4A 3AY were appointed Joint Provisional Liquidators of the above Company.

Dated this 4th day of July 1994

In the High Court of Justice No. 004015 of 1994
Chancery Division

IN THE MATTER OF
3i PLC
and
IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a petition was on the 23rd June 1994 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the capital of the above named Company from £150,000,000 to £10,000,000.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before Mr Registrar Buckley at the Royal Courts of Justice, Strand, London WC2A 2LL on Wednesday 20th July 1994.

ANY creditor or shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of capital should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undermentioned Solicitors on payment of the regulated charge for the same.

DATED this 1st day of July 1994
Slaughter & May (RLH)
35 Basinghall Street, London EC2V 5DB
RLH0195.94D

IN THE MATTER OF
MOREMILL LIMITED
and
IN THE MATTER OF
THE INSOLVENCY ACT AND RULES 1986

In accordance with Rule 4.106, I, David Lowe of Cooper Lancaster Brewers, 14, Wood Street, Bolton, BL1 1DZ, give notice that on 24 June 1994 I was appointed Liquidator by resolutions of members.

Notice is hereby given that the creditors of the above named company, which is being voluntarily wound up, are required, on or before the 12 August 1994 to send in their full christian and surnames, their addresses and descriptions, full particulars of their debts or claims and the names and addresses of their Solicitors (if any), to the undersigned David Lowe the Liquidator of the said company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in the prove their debts or claims at such times and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution.

Note: This notice is purely formal. All creditors have been or will be paid in full.

Dated: 27 June 1994
David Lowe
Liquidator

MAYFLOWER CHINESE RESTAURANT LIMITED

Registered number: 1608128
Nature of business: Restaurant
Trade classification: 8651
Date of appointment of administrative receivers: 4 July 1994
Name of person appointing the administrative receivers: Overseas Trust Bank Limited
N RUDDOCK and N H COOPER
Joint Administrative Receivers
(office holder nos. 4877 and 001939/01) of
ROBSON RHODES 186 City Road, London EC1V 2NU

In the High Court of Justice No 003201 of 1994
Chancery Division

IN THE MATTER OF
RJB MINING PLC
and
IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that an Order of High Court of Justice, Chancery Division dated the 22nd June 1994 confirming the reduction of the amount standing to the credit of the Share Premium Account of the above named Company was registered by the Registrar of Companies on the 23rd June 1994.

Dated 8th July 1994
CLIFFORD CHANCE
200 Aldersgate Street
London EC1A 4JJ
Ref: KO
Solicitors to the Company

In the High Court of Justice No 003200 of 1994
Chancery Division

IN THE MATTER OF
BOXBORO GROUP PLC
and
IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that an Order of High Court of Justice, Chancery Division dated the 22nd June 1994 confirming the cancellation of the amount standing to the credit of the Share Premium Account of the above named Company was registered by the Registrar of Companies on the 23rd June 1994.

Dated 8th July 1994
CLIFFORD CHANCE
200 Aldersgate Street
London EC1A 4JJ
Ref: KO
Solicitors to the Company

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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

CONTRACTS & TENDERS

INVITATION TO BID FROM EREGLI IRON AND STEEL WORKS, INC. (ERDEMIR)

I) Qualified and experienced companies are invited to bid to provide Slag Processing Services of BOF slag at the integrated steel plant of ERDEMIR located at Karadeniz Eregli, TURKEY.

II) The objective of the project is to process the slag in an existing 2.1 million cubic meter pile accumulated in the past plus the ongoing slag production from three BOF vessel on the basis of:
   a) Build-Operate-Transfer (B.O.T.) or
   b) Complete Sale/Partial Sale

III) The name of the project is "BOF Slag Processing Services" and the intent of ERDEMIR is for contractor to build and operate a slag processing facility with the recovered metallics and slag to be marketed under various options as set forth in the Bidding Documents.

IV) Documents regarding the inquiries shall be issued to those who apply in writing to ERDEMIR by the date stated below. Delayed applications shall not be taken into consideration and thus will not be invited to bid.

V) All correspondence shall be in English.

VI) Qualified companies may request Bidding Documents from the address given below starting from July 20, 1994 till July 29, 1994, 17.00 hours Turkish Local Time.

VII) A pre-bid meeting and site visit shall be held on Tuesday, August 9, 1994 at 10:00 A.M. Bids are due on Wednesday, August 24, 1994.

ERDEMIR
YATIRIMLAR GENEL MUDUR YARDIMCILIGI
67330 KDZ. EREGLI/TURKEY
SUBJECT: BOF SLAG PROCESSING SERVICES
FILE NO: YT-12-1/258-31-1-299-(28)

TECHNOLOGY

Hugh Carnegy looks at how two Swedish groups have streamlined their supply and distribution services, in a series on electronic retailing

Changes in store at the grocery

When ICA Retailers, Sweden's largest retail group, was considering upgrading the technology backing supply and distribution in one of its three geographic divisions four years ago, it found itself confronting some glaring inefficiencies.

The three divisions operated with a large degree of autonomy, had their own supply and distribution systems and often had differing marketing strategies. Meanwhile, the environment within which ICA was operating was changing fast.

A spate of deregulation during the 1980s had sharply increased competitive pressures and was set to continue as Sweden applied to join the European Union. A looming recession threatened to hone competition even more keenly. The advent of commercial television networks meant that an organisation such as ICA could, for the first time, run effective nationwide marketing campaigns.

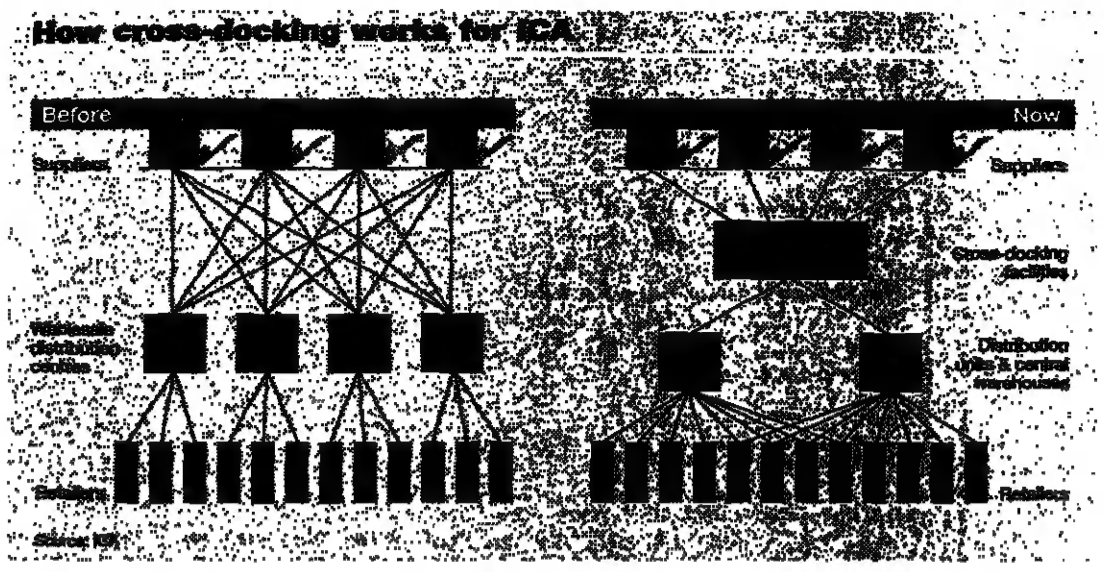
So ICA, a co-operative group with turnover last year of SKr60bn (£5bn) and a 35 per cent share of Sweden's retail grocery market, decided in 1990 to scrap its three-pronged structure and combine its operations throughout the country, underpinned by an integrated information technology system. Three years and SKr500m later, ICA makes the bold claim to have one of the world's most advanced systems for the grocery wholesale industry and in-store back-office operations.

At much the same time, ICA's biggest competitor, the Swedish Co-operative Union (KF), was also preparing for change. The sprawling conglomerate has since 1992 embarked on a strategy of shedding its myriad industrial interests to concentrate on the retail sector.

In the process, KF last year signed what was then described as Europe's biggest IT services contract when it brought in Electronic Data Systems (EDS), the General Motors subsidiary, to handle its IT needs. A key part of the deal, to be worth $1bn (£666m) over 10 years, is the upgrading of KF's retail supply and distribution services.

While KF continues to wrestle with its vast restructuring project, ICA has already largely transformed itself. With the help of Andersen Consulting, it set up two divisions, ICA Partihandel to operate the wholesale side and ICA Detaljhandel to operate the retail services end. The two are tightly bound together by a communications network which integrates and links ICA's 2,700 individual stores with the group's distribution, sales and marketing operations.

This consists of a so-called backbone network based on the national telecommunications network provided by Telia, the Swedish state telecom company, and an X.25 communications network.



The backbone system ties together the computer and telephone systems of ICA's nationwide organisation, while the X.25 network, with 138 nodes, or intersections, allows all the individual stores to connect to the backbone.

ICA claims to have one of the most advanced systems for the grocery wholesale industry

From the storeowner standing in the aisle of his supermarket punching in his day-to-day product needs into a hand-held device, orders can be channelled back automatically through the ICA systems, combined and rationalised with other orders flowing in from elsewhere, then directed to the appropriate distribution point and, ultimately, to the supplier. In the other direction, goods are tracked out to the stores, on to the shelves and through the check-out. Sales information and centralised marketing campaigns are also fed out through the system.

"The idea is to get supplies to the retailer as quickly and as cheaply as possible," says Ake Westerlund, ICA's data project leader. The target of cutting ICA's logistics costs by 50 per cent by 1995 appears to be well in sight. The efficiencies the system allows in correlating and managing orders has led to a radical shake-up of ICA's distribution network. Half of the group's 22 regional distribution centres have been shut and the number of central warehouses has shrunk to two from three.

By enhancing its knowledge of its own demands, ICA has been able to move away from a system of individual suppliers transporting their goods to several ICA distribution centres to a so-called cross-docking operation. This involves suppliers delivering to one ICA centre where goods are reloaded on to ICA transports. ICA now has two cross-docking centres, in the southern cities of Gothenburg and Helsingborg, and it is planning a third in the Stockholm area. Although this appears to add an extra link in the distribution chain, the cut it allows in the number of local distribution centres and the lower prices it enables ICA to force out of suppliers more than pays for the cross-docking facilities. Transport costs are squeezed as delivery trucks are used at maximum capacity and inventories are kept much lower than previously.

'Now deliveries are being made daily and inventories have been reduced by 50 per cent'

"In the past, suppliers delivered weekly to each distribution centre. Therefore, the distribution centres had to keep about one week's worth of supplies. Now, deliveries are made daily and inventories have been reduced by 50 per cent. We are getting larger volumes through fewer centres," says Richard Hill of Andersen Consulting.

KF, with an 18 per cent share of Sweden's total retail market, is following a similar path from a different starting point. It always served as the supply and distribution organisation for the many co-operative retail chains within its empire, but is now seeking to modernise and further integrate its systems. Five store chains – the Konsum supermarkets, Obs! hypermarkets, B&W hypermarkets, Fakta discount chain and Obs! Interior stores – are served by one supply and distribution organisation.

KF has also used Andersen Consulting to advise it on how best to organise such a complex operation. It, too, has reduced its distribution centres, from 13 to 11, and has opened a cross-docking centre in the southern city of Malmö.

Urban Strand, KF's IT manager, says the organisation was quick to introduce point-of-sale links to back-office operations, for example through the use of check-out scanners. But he says a new generation is now required to integrate further the point-of-sales systems, back through the chain to the suppliers. This is what EDS is working on.

"What EDS has done is take over the monitoring and enhancement of the system. We have all the information – we need the applications to put it together to make distribution more efficient," says Strand. Ultimately, at the store level, it seems, systems could be developed to the point where orders were automatically triggered from point-of-sale monitoring of the flow of goods out of the stores. The store manager might have little more to do than monitor the system.

Hill says ICA already has a system which is "completely on-line", from the central network out to its "Budica" in-store network. The latter allows not just the control of the flow of goods in and out of the shop, but also carries information on marketing campaigns, produces weekly analyses of a store's operations and sales trends, pricing models, E-mail links to the rest of the ICA network and staff training programmes.

The complete ICA network is "functionally richer than any other we have ever been involved with throughout the world", says Hill.

But customers at least may be comforted to know that neither ICA nor KF envisage the elimination of the human factor. Both say store managers will always want and need to talk to their supply points about the availability of certain products and make subjective decisions on ordering – particularly for fresh goods. And, says KF's Strand, there is no technological substitute for the manager on the supermarket floor gauging the tastes of customers.

Worth Watching · Vanessa Houlder

New lease of life for smartcards

The life span of banking smartcards is to be extended with the introduction of a smartcard chip which uses re-programmable memory cells.

Smartcards are increasingly used as credit and debit cards in order to cut down fraud. But currently banks are forced to re-issue the cards regularly to frequent users, because they cease to function once their memory capacity has been exhausted.

The new card, which has been been devised by Schlumberger and Texas Instruments, is based on re-programmable EEPROM memory cells. These allows the chip to store about 160 transactions in a sequential file. Once the card reaches this capacity, it automatically creates more capacity by deleting the oldest record.

Schlumberger, which will put the card into commercial production later this year, believes the longer life of the card will substantially cut down banks' issuing costs. It will also offer issuers the chance to get more information about their customers' purchasing patterns, because the chip's transaction memory will be accessible.

Schlumberger: France, 1 47 46 62 47

Keyboard to help the disabled

A computer and keyboard package, designed to help disabled employees use standard computer systems, has been introduced by KCS and HM Systems, two UK companies.

The keyboard consists of a touch-sensitive flat pad which can be overlaid by a number of standard or customised keysets. The overlays can be programmed so that one keystroke can perform a series of functions.

The keyboard is designed to make inputting information easier for people suffering from motor disabilities and it is also suitable for people with visual disabilities, because the keyset overlays can be designed using different colours and key sizes.

The system, which is compatible with standard software, does not need hardware or software modifications. The computer and keyboard package costs £1,500.

KCS: UK 0703 584314

Cutting down on background noise

Irritating background noise can now be eliminated with the arrival of the Noisebuster from Noise Cancellation Technologies, writes Richard Rosen.

The system consists of a set of light-weight headphones and a small noise analyser/sound source production unit.

Microphones in the earcups of the headphones listen to external sounds. These are fed to the noise analyser. An anti-noisewave is generated by the controller as an electronic signal which is fed back to the speakers in the headphones. When the anti-noise reaches the incoming offensive noise each cancels the other out.

The system is claimed to reduce noise by 50 to 90 per cent within the 20Hz to 120Hz frequency bandwidths. The Noisebuster is available for $149 (£98).

Noise Cancellation Technologies: US, 203 961 0500.

Acost calls for R&D tax changes

The UK government should undertake a wide-ranging study of the relationship between the tax system and industrial innovation, the Advisory Council on Science and Technology says in its final report this week, Clive Cookson writes. (Acost has been replaced by the Council for Science and Technology.)

Acost's report is the latest in a series by influential bodies calling for government action to stimulate research and development by more favourable tax treatment for R&D. The Commons Committee on Science and Technology made a similar recommendation earlier this year.

Office of Science and Technology: UK, 071 271 2105

PEOPLE

Leeds BS fills one of its gaps

Leeds Permanent Building Society, the UK's fifth largest, has proved that it can still make senior appointments, even though its chief executive's seat remains empty. John King has been named as chairman-elect of the society, to succeed Malcolm Barr who will retire in January. "The fact that we have decided on the chairman does help in the appointment of a chief executive officer," King says.

The arrival of a chief executive will clearly affect the extent to which King (above right) has to be involved in the society. He sees the job as taking up two to three days a week of his time, fitting in with his other roles as chairman of Analysys, a telecommunications consultancy, and a director of Olivetti UK.

King, 61, has been a director of Leeds since April 1991, and was a main board director of BT until 1988.

The challenge for societies over the next year or so, he says, will be to develop within a greatly changing environment after a period when the market in traditional society activities has been quite dull.

Meanwhile, Bradford & Bingley, the UK's seventh largest society, is aiming to meet those changes by appointing John Wriglesworth (near left), 37, societies analyst with UBS for the past seven years, to a new post as general manager in charge of strategy and communications.

The first change for Wriglesworth, who will join the society in October, will be to open a B&B account. His lack of one at present is, he says, no reflection on the society but simply a matter of the location of its London branches. This problem will presumably be eased when he spends a proportion of his time in Yorkshire.

Team moves to NatWest

NatWest Securities has hired a South African equities team from Fleming Martin, a joint venture between Robert Fleming and Martin & Co. NatWest, which has not previously traded South African equities, will trade shares listed on SEAQ International, the London-based dealing system for foreign shares.

The team consists of Anthony Garnett, head of sales, Greg Mackay, head of trading, Nick Harwood, salesman and Peter Weymouth, settlements.

Philip Augar, managing director, securities at NatWest Markets, explains that the move is part of NatWest's strategy "gently to broaden the range of markets that we cover, without adding massively to the cost base, at this stage of the cycle".

NatWest recently hired a Latin American research and sales team from W.I. Carr.

■ **Arvinder Sood** has been appointed a director of Mitsubishi Finance International. He will head a new structured finance team, expected to total about half-a-dozen staff, which will concentrate on originating and underwriting derivative-based new issues.

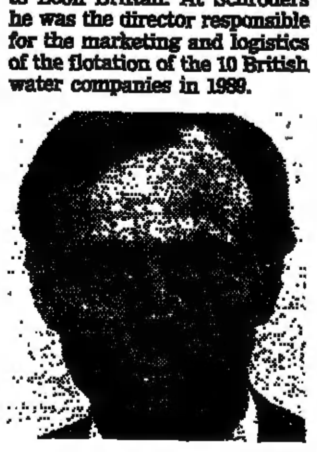
Mitsubishi has been allowed to expand its bond underwriting activities in Japan, following recent financial deregulation, and is now increasing related activities in other markets, according to Hiroshi Yoshimine, deputy managing director of Mitsubishi Finance.

■ **Nigel Mills** has been promoted to md of HOARE GOVETT's UK corporate finance business.

■ **François Faure**, formerly a director of M&A for Wasserstein Perella in Paris, becomes director in the M&A department of LEHMAN BROTHERS' European investment banking division.

■ **Sir David Chapman**, chairman of the Stock Exchange's north east regional advisory group, has been appointed corporate development director at WISE SPEKE.

■ **Nigel Pantling** (below), a director of J. Henry Schroder Wagg, has been appointed deputy head of HAMBROS' corporate finance division. Before joining Schroders in 1985, Pantling, 43, spent nine years in the Home Office where, inter alia, he was private secretary to Leon Brittan. At Schroders he was the director responsible for the marketing and logistics of the flotation of the 10 British water companies in 1989.



Comings and goings at GGT

Jan Hall, until recently the chairman and chief executive of design company Coley Porter Bell, is about to join the quoted advertising and marketing services group Gold Greenlees Trott in the newly-created post of Europe supremo.

The move, announced yesterday at the same time as the group's disappointing year-end figures, is part of attempts to strengthen a pan-European network, set up last year through a link-up with the privately-owned agency GGK. Hall's title will be chief executive, GGT Europe.

Coley Porter Bell, where Hall had been for 10 years, was bought by Martin Sorrell's WPP group in 1989. Her last triumph, shortly before her departure, was landing a wholesale review of British Gas's corporate identity. She was also recently appointed a non-executive director of travel group Owners Abroad.

GGT also announced yesterday that Michael Gold, co-founder with Mike Greenlees, would be leaving at the end of July, having moved with his family to France. The group is also hoping to restore its reputation in the City by appointing Peter Quinnen, a former chairman of James Capel, as a non-executive director. Quinnen has known the group since its flotation.

Stud owner joins Bloodstock Agency

Kirsten Rausing, a member of one of Europe's wealthiest families, has been appointed a non-executive director of The British Bloodstock Agency, which buys and sells racehorses on behalf of wealthy clients.

Rausing, who is the granddaughter of Ruben Rausing, founder of Sweden's TetraPak packaging business, is the largest individual shareholder in the BBA – which claims to be the world's largest and longest-established bloodstock agency. She bought a near 10 per cent stake in February 1991.

The company, which employs 40 staff and bought and sold around 200 horses last year, is starting to recover after several years of losses. Its wealthy clientele has been hard hit by the collapse in bloodstock prices, the recession and the problems of the Lloyd's insurance market.

Estimates of the wealth of the Rausing family range from $9bn (Forbes magazine) to £5.2bn (Sunday Times). Several members of the family now live in Britain. Rausing, who is vice-chairman of the Thoroughbred Breeders' Association, owns the Lanwades and St Simon Studs near Newmarket and the Staffordstown Stud in County Meath, Ireland, all of which are operated on a commercial basis.

Meanwhile, the BBA is still looking for a new chief executive with a strong financial background. Peter Bickmore, who has been running the group's insurance business as well as being managing director of the group, is stepping down in order to concentrate fully on running the group's insurance business. John Harvey-Barnes, the finance director, is 65 next year and is expected gradually to hand over some of his financial responsibilities to the new chief executive.

■ **Sir John Leahy**, a non-executive director at LONRHO has been appointed vice-chairman. He will chair a nomination committee, comprising the non-executive directors and assisted by outside advisers, to recommend the appointment of a new chairman when Rene Leclezio retires.

Why the Bolshoi pulled out of Britain

Inflating classical ballet for commercial gain was the real cause of failure, says Clement Crisp

Bolshoi scandale! A Russian dancer will recount a "big scandal" – a skirt lost as Giselle makes her spectral appearance in Act 2 – with peals of merry laughter. But there is no joking about the scandal of this summer's cancelled Bolshoi Ballet tour.

Moscow's finest were due to perform at indoor arenas in Birmingham and Manchester, and after a season in Dublin, were to make a series of open-air appearances to tens of thronging thousands at Leeds Castle, Highclere, and Castle Howard. The Manchester and Birmingham seasons were postponed, and after a financially disappointing visit to Dublin and the cancellation of two of the stately dates, the last – Leeds Castle – was this week abandoned.

Derek Block, impresario of the enterprise, is quoted as saying: "I believe I've been caught up in something which is much bigger than me: the worst recession I've ever seen". I think the failure of the tour is indicative of something bigger than the events themselves, bigger than [illegible] incurred (stated [illegible] £1.25m), and bigger than the public's reluctance to fork out £55 for open-air performances by what has always been thought the ultimate bankable dance troupe.

Block master-minded the five week season in the New Year, 1993, which brought 150 Bolshoi dancers to the Albert Hall and exposed them (rather [illegible] one might an unwanted tot on a Greek hill-side) on a thrust stage. Programmes comprised "Suites" – i.e. large and often illogical [illegible] of the [illegible]dard Moscow repertory – which impressed by the numbers of dancers involved and by their roaring enthusiasm. An audience – not the usual Russian Ballet [illegible] – poured in, as they might to [illegible] a rock-star [illegible] a popular evangelist, paying considerable sums to see [illegible] well-marketed [illegible]. Hence the "suites" as a sampling of classical tit-bits. Hence our critical sniping, which pointed out that ballet is an art that is conditioned by the proscenium arch, and without [illegible] formal frame [illegible] sadly diminished [illegible] effect.

The argument for such gigantism in the lyric theatre is commercial. Lots of space, lots of bodies and a few big names can do marvels for an impresario's and a company's bank-balance. In warmer European climes than ours there [illegible] trudging hordes of supers in [illegible] open-air *Aida* [illegible] friend appeared in such a staging in Italy, just behind the camels, whose defecations he neatly caught upon the serving platter he was holding), or an acre [illegible] of white tulle and swan-feathers, and given reliable weather and proximity, the public may be expected to flock.

Such mass [illegible] demands modest pricing, ease of access, even [illegible] tradition of comparable entertainments. The Bolshoi has, in South America, played to vast crowds, and in the Palace of Congresses in Moscow it can appear before 6000 people. It is not in any way subtle as ballet, nor credible save on the bald terms of slam-bam performance and reverberant box-office tills.

Like other Russian artistic enterprises, the Bolshoi has [illegible] present and urgent need for hard currency. It is also faced with the problem of relocation while its home theatre is re-furbished. Last year's Albert Hall season meant, for the Bolshoi, work and funds, though in every other way it implied [illegible] continuation of the hack-labour and artistic stagnation which has dogged its every gloriously-trained step in recent [illegible].

The blatancies of such [illegible]sons – never mind the quality, feel the size [illegible] the cast – [illegible] deleterious to the lyric arts. (The Bolshoi, whose style is physically larger than that of any other troupe, runs the dan[illegible] of elephantiasis.) [illegible] performances are also oddly dependant upon public [illegible] momentary switches of taste. Three tenors may bawl their lungs out [illegible] millions, and Pavarotti hold a sodden horde captive with gems from his repertory, but recent cancellations of other bloated opera recitals suggest that the fad has passed. Ballet under the terms proposed by the Bolshoi and Mr Block this summer – ten thousand spectators every night, in the open air – was ballet seen through [illegible] wrong end [illegible] a telescope. And the enterprise demonstrated a greater faith in the English climate than most of us would credit. (Last week, in my corner of Sussex, we had an evening temperature-drop of 20 degrees and a rain-storm. Ideal for *Penguin Lake*.)

At the heart of this fiasco is the matter of how ballet may be shown to [illegible] large audience. Maurice Béjart, for valid aesthetic reasons, made spectacles for the expanses of the Boboli Gardens; the Grand'Place in Brussels; the Grand Palais in Paris. These succeeded on boldest terms, because Béjart conceived them thus. Inflating traditional ballet for a [illegible] public, be it in [illegible] Albert Hall or the English country-side, implies distortion, evaporation of effect. It is [illegible] thoroughly bad thing, because an audience is given art diluted, deformed. And, if the prices for this tour [illegible] evidence, it is expected to pay through the nose for it. The great ballet companies are now prohibitively expensive [illegible] tour and present: [illegible] for consumers' [illegible] demands that if they are [illegible] be seen, it must be at their very best.

[illegible] it recession that caused the failure of this tour, [illegible] public reluctance [illegible] face the tedium of travel, the unpredictabilities [illegible] climate [illegible] location and even [illegible] programming? Ballet [illegible] art of the theatre, and even the strongest troupes are only truly [illegible] in the great houses where they have always flourished. The impresario's trick, and the company's task, [illegible] still [illegible] make ballet available [illegible] rigorous terms.

Theatre/**Alastair Macaulay**

The Schoolmistress

If you are English and live in England, you have at least two notions of your native land: the real present-day England in which you live, and the old ideal England, the green and pleasant land of tradition. And you relish those occasions when these two Englands seem to merge into one – maybe watching cricket on the village green, maybe picnicking at Glyndebourne. But the experience is only valuable if the present-day England does not vanish beneath the illusion of the old one. Today's cricket must be good; and Glyndebourne takes its audiences seriously enough [illegible] challenge them [illegible] tough-minded productions.

[illegible] The audi[illegible] at [illegible] val Theatre look predominantly English, [illegible] and middle-aged, and [illegible] they lap [illegible] productions [illegible] present them with cheap reproduc[illegible] Ye Olde Englande – the kind of England that [illegible] only [illegible] kind of [illegible] who [illegible] "doing" England in a week. I [illegible] remember when I [illegible] anything [illegible] than [illegible] new production [illegible] Pinero's 1886 comedy *The* [illegible] – [illegible]weight [illegible] late-Victorian farce [illegible] secrecy, class and marriage, [illegible] by execrably heavy Comedy Effects from the entire cast – but its first-night audience gur[illegible] and chortled. This is thea[illegible] as the [illegible] kind [illegible] offering an England [illegible] perpetually puerile [illegible]iour and crummy [illegible].

Still, [illegible] surely prefer [illegible] see more three-dimensional acting; and this Pinero play would be surely more [illegible] if [illegible] took [illegible] seriously [illegible] moment. This is one of those late-19th century farces in which marriages [illegible] kept [illegible] kept within marriages. The [illegible]mistress, [illegible] Dyott, [illegible] recently [illegible] a penniless aristo, the Hon. Vere Queckett – in [illegible] supports him, [illegible] him [illegible] amateur [illegible] singer. He keeps [illegible] chums secret from her. Meanwhile one of her pupils, Dinah Rankling, has married Mr Reginald Paulover in secret. It is particularly important [illegible] Dinah's [illegible], Rear Admiral and Mrs Rankling, do not discover the latter marriage. Peggy Hesselridge, pupil [illegible] Miss Dyott's college and in training [illegible] be [illegible], emerges as a key manipulator of events – and in so doing falls in love too. And so forth.

Chichester has reduced Pinero's featherweight farce to sit. com.

All of which could, I suppose, be delicious – [illegible] mer [illegible] – [illegible] treats Pinero's characters like mere [illegible]nettes, and treats young love and repressive old age as if they were both very silly. Most bizarre of all, it asks us to believe that Patricia Routledge (Miss Dyott) has married Guy Henry (the Hon. Vere Q.). Now, Routledge has been middle-aged [illegible] long as I can recall, and [illegible] has grown stouter with the years, whereas Henry is a wide-eyed young beanpole [illegible] does not entirely [illegible] as an [illegible] of maritally fulfilled heterosexuality. If Pinero had wanted a hippo to marry a giraffe, he [illegible] that central to his comedy. But since we are [illegible] asked to be amused by [illegible] marriage of opposites, we can only find it grotesque.

[illegible] everything [illegible] *Schoolmistress* is played [illegible] "Don't [illegible] this". The schoolgirls [illegible]posed [illegible] of marriageable [illegible] behave like pre-teen[illegible] ninnies. [illegible] squeaky [illegible] (his shrill, unbroken voice, [illegible] from [illegible] hint [illegible] text, [illegible] laboured by the production to idiotic extremes) bumps into a sofa, has his voice break (falling [illegible] than [illegible] octaves), and is soon spooning with [illegible] of the ninnies. The trainee governess ([illegible]) [illegible] adenoidal and speaks with [illegible] Victorian [illegible] would permit into the schoolroom. Routledge [illegible] in for [illegible] jerky double-takes, jolting changes of voice, [illegible] other strenuous [illegible] Gray and Michael Denison, [illegible] parental Ranklings, turn [illegible] Pinero [illegible] of delicate [illegible] into ponder[illegible] turgidity. [illegible] Guy Henry seem [illegible] find himself funny, and sometimes makes his [illegible] panic-stricken antics funny [illegible] But it [illegible] time that [illegible] realised, or remembered, [illegible] Pinero's comedies require playing as subtle [illegible] do Wilde's. Time, too, [illegible] stopped treating [illegible] like [illegible] for whom [illegible] must be reduced [illegible] the level [illegible] com.

In repertory [illegible] the Chichester Festival Theatre

Alastair Muir

Patricia Routledge as the eponymous teacher, with Guy Henry

Popular music/**Antony Thorncroft**

Cash and Costello

The [illegible] man in [illegible] with the voice [illegible] a Fisherman's Friend says: "Hello, I'm Johnny Cash". It [illegible] joke, of course. [illegible] try [illegible] around half [illegible] hour already at the Shepherds [illegible] Empire, and no [illegible] this [illegible] senility [illegible] to [illegible] him for [illegible] Brooks, Dwight Yoakam [illegible] the new generation [illegible] super-stars.

After 40 years in the game, a [illegible] inevitably [illegible] of myths [illegible] rituals. The biggest [illegible] of all is that the hero is [illegible] touchstone of survival, [illegible] man who popped a million pills, drained ten million bottles, played around with women and the law, only [illegible] stumble [illegible] at [illegible] last [illegible] saloon and win through.

[illegible] like the legend, [illegible] if [illegible] know that [illegible] criminal [illegible] was no [illegible] dastardly than plucking [illegible] few off-limits flowers, and [illegible] he has spent almost [illegible] safely married into Country Music's Royal Family, [illegible] Carters. And it [illegible] us [illegible] enjoy more [illegible] reflective musical commentary on his fantasy life in [illegible] about shootings, prison, moving [illegible], and bumming through.

The fact [illegible] that Cash's [illegible] bulk and hickory tinged voice make the songs ring [illegible]. They might be [illegible] short, superficial, 1950s Family [illegible] in his [illegible] they [illegible]. He starts with [illegible] and [illegible] are [illegible] in [illegible] cell listening [illegible] freight [illegible] whistle [illegible] "Sunday morning coming [illegible]" is the saddest commentary on [illegible] no-hoper's weekend drinking spree.

[illegible] just when the child-like superficiality of "[illegible] in the Sky" and "Walk [illegible] Line" [illegible] cloy Cash changes tack, going genuinely confessional with a solo set of fresh material, of heart-baring songs written by that [illegible] outsider, Leonard Cohen, and the supremely oddball Loudon Wainright III.

With the new album plugged June Carter Cash, [illegible] buxom [illegible] leggy [illegible] any Southern matron, casually let drop two knock out family facts. [illegible] only is Mrs Cash's mother a direct descendant of [illegible] Prime Minister (OK, it was the totally forgotten Lord Addington) but that she is currently appearing on the new 20 cent US [illegible].

[illegible] Carter [illegible] not always [illegible] with Johnny's resounding bass on [illegible] like "It Ain't Me Babe" [illegible] they [illegible] touching sight, and make [illegible] uplifting and redemptive as [illegible] revival[illegible] gathering underway [illegible] the road. The Seventh Day [illegible] had one advantage: they were [illegible] subjected [illegible] most embarrassing [illegible] performed by [illegible] great artist, "A boy named Sue". Only Cash could sing it and survive.

Another [illegible] newly [illegible] with [illegible] album [illegible] plug [illegible] in [illegible] this week: Elvis [illegible] held [illegible] mini residency [illegible] Royal [illegible] Hall, a suitably [illegible] for [illegible] man [illegible] profile of punk.

Little has changed in [illegible] he [illegible] London: [illegible] flirtation with country music, and the US, seems well [illegible]. He [illegible] reunited with his original band, [illegible] Attractions, a trio [illegible] barnstorming thumpers. Costello's new [illegible] crypto-punk in style but they run into the difficulty [illegible] by all [illegible] stars: an exhaustion [illegible]. Happily protected from emotional turmoil, [illegible]tello lacks [illegible] map to return to the political and social abuses he [illegible] in his early songs. "London's Brilliant [illegible]" is hardly [illegible] to [illegible] revolution.

The fluency of [illegible] playing, guitar still pointed resolutely earthwards, voice as challengingly bitter [illegible] ever, is sub[illegible] by [illegible] speed and [illegible]. The lyrics are swallowed, [illegible] is a pity on songs like "Shipbuilding", [illegible] slant on [illegible] Falklands War. A strangely positioned sound system did not help the audience [illegible]. But if [illegible] was like cowering before a hurricane of unstructured indignation, there was [illegible] the pleasure of [illegible] invigorating shock.

[illegible] Costello [illegible] end. "Alison" [illegible] an enjoyably lucid relief, with its chilling, put down, lyrics, and "Accidents will happen" still tumbles [illegible] genius. [illegible] Costello, nudging [illegible] much the frantic [illegible] gun, desperate [illegible] prove [illegible] point. The [illegible] been [illegible] but the [illegible] was slow to pogo: [illegible] blistering [illegible] his performance. This [illegible] somehow [illegible] great occasion [illegible] happen.

Opera/**David Murray**

A motley cast for 'Aida'

There was a motley crew for Verdi's *Aida* on Wednesday, motlier than I can remember seeing at the Royal Opera – and that was just the audience, who ran from American [illegible] (greying T-shirts, busted chinos) [illegible] bold chic imported from deeply foreign countries. It was a nice touch for the RO to have imported [illegible] motley new cast, unable to communicate with one [illegible] apparently, with the conductor Edward Downes. I have to report that by the end, most of the audience were vociferously delighted.

"[illegible] cast" is too simple, [illegible] the singers successively [illegible] this [illegible] – Elijah Moshinsky's new production – have been dropping like flies. Somebody [illegible] the RO [illegible] to spend desperate hours on international phone-lines. [illegible]day's Radames, the Icelander Kristjan Johannsson (new to London), was flown in on the afternoon of the performance: it was no wonder that he and his Aida seemed never to have been properly introduced.

[illegible] the ex-Soviet singers – not including the [illegible] of Gregory Yurisich, who is Australian – Nina [illegible] in [illegible] intelligible [illegible] than Paata [illegible] High [illegible]. Burchuladze, however, lent imposing [illegible] role; [illegible] Rautio, musically quite effective, kept [illegible] glumly [illegible] her acting [illegible] raising one [illegible] arms [illegible] high [illegible]. It was amusing [illegible] Zajick's Amneris [illegible] daunting [illegible] hostess), Yurisich's wild [illegible] Johannsson's stiff, upstanding [illegible] trying in turn [illegible] get [illegible] dramatic response from her, all in vain.

The [illegible] mezzo [illegible] sharp an [illegible] for [illegible] 2 [illegible] with Aida – which I have not seen more crudely played: where was Moshinsky? – but [illegible] own with the [illegible] showdown. Johannsson's Italian-schooled [illegible] bright metal and force (he [illegible] stirring Manrico in *Trovatore*), but not much [illegible] "[illegible] Aida" was brittle, [illegible] he kept rushing his [illegible] – again and [illegible] room [illegible] him [illegible] breathe in, but he refused to take it.

Otherwise, Downes himself sounded un-tender with the score, though [illegible] course efficient: grand, noisy ensembles, but no magic in the quieter music. As usual Moshinsky has built [illegible] clean, thrifty production, designed to last; I thought that recycling Michael Yeargan's Nile act set, with its tall array of Anubis-heads, for the Act 4 trial looked too much like parsimony. And why Aida and her father should belong to a genetically deviant tribe [illegible] Ethiopians (none [illegible] them was remotely black) remained [illegible] mystery: could this be a perverse example of p.c.?

In repertory with a variety of singers until July 22

INTERNATIONAL

ARTS GUIDE

Proms Centenary

The 100th season of the Henry Wood Promenade Concerts opens next Friday and runs till September 10.

The temptation to look back over a century at Britain's largest music festival has proved irresistible: this year's programme comprises a survey of the people and ideals that have made the Proms so successful. Among the great figures of Prom history included are John Barbirolli (Aug 5), William Glock (Aug 7), Malcolm Sargent (Aug 10), Henry Wood (Aug 19), Adrian Boult (Sep 3) and Pierre Boulez (Sep 5). The programme of September 6, 1900, is repeated (July 16), with music ranging from Dvorak to Sousa and Florian Pascal.

The work of the Proms in encouraging new music is recognised by recalling past premieres of works by Maw, Bliss, Schoenberg and Britten. Among this year's premieres are Maxwell Davies' Fifth Symphony (Aug 9) and Tavener's The Apocalypse (Aug 14).

There will be a concert performance of Ethel Smyth's opera The Wreckers (July 31), [illegible] Wagner night starring Anne Evans (Aug 3) and [illegible] semi-staged performance of Glyndebourne's new production of Don Giovanni (Aug 29).

Visiting orchestras include the Berlin Philharmonic, the [illegible] Orchestra, the Dresden Staatskapelle, the Los Angeles Philharmonic and Pittsburgh Symphony. Among the conductors are Claudio Abbado, Bernard Haitink, Kent Nagano, Simon Rattle, Günter Wand, Klaus Tennstedt and John Eliot Gardiner. Andrew [illegible] conducts the BBC Symphony Orchestra and Chorus in the opening performance of Schoenberg's Gurrelieder and in the traditional Last Night of the Proms (Promenade Concerts Ticket Shop, Royal Albert Hall, London SW7 2AP. Tel 071-589 8212)

■ EXHIBITIONS GUIDE

AMSTERDAM

Van Gogh Museum Van Gogh's Self-Portraits: 20 paintings and two drawings dating from his stay in Paris 1886-7. Ends Oct 9. [illegible]
Rijksmuseum Flowers and Plants: flora and fauna in five centuries [illegible] prints and drawings. Ends July 31. Closed Mon
Royal Palace The Fountain of Pallas: this impressive marble statue, made in 1660 by the Amsterdam sculptor [illegible] Quellien, is on show together with related paintings, drawings and terracotta models. Ends Aug 28. Daily

BERLIN

Altes Museum The Last Days of Humanity: 600 photos, posters, paintings and drawings illustrating artists' responses to the first world war, and including work by Beckmann, Kokoschka, Dix, Picasso, Chagall and Wyndham Lewis. Ends Aug 28. Closed Mon
Haus der Kulturen der Welt Tanzania – masterworks of African sculpture: 400 works from the 19th and 20th centuries. Ends Aug 7. Closed Mon

BONN

Kunsthalle The Century of the Avant-Garde in Central and Eastern Europe: 700 works by 200 painters and sculptors, offering a thematic guide to the main artistic developments of the past century. Ends Oct 16. Closed Mon

CHICAGO

Art Institute Odilon Redon: [illegible] works by the late 19th-century French painter-poet. E[illegible]s Sep 18. Italian Sculpture from the Gilgore Collection. Ends Aug 14. Daily

COLOGNE

Wallraf-Richartz-Museum Impressionist [illegible] from [illegible] paintings from the period 1880-1900. Ends Sep 4. Closed Mon
Josef-Haubrich-Kunsthalle Heaven and Hell in the [illegible] Ages: 200 paintings, documents and artefacts illustrating the medieval view [illegible] death and [illegible] afterlife. Ends [illegible] Daily

ESSEN

Villa Hügel Paris – Belle Epoque: an evocation of the period from 1880 [illegible] 1910 with paintings, drawings, posters, photographs, glass and furniture. Ends Nov 13. Daily

FRANKFURT

Schirn Kunsthalle Goethe and Art: 300 paintings, drawings and sculptures ranging from antiquity till Goethe's death in 1832, and including work by David, Schinkel, Caspar David Friedrich, Claude Lorrain, Constable and Turner. Ends Aug 7. Daily

HAMBURG

Kunsthalle Masterworks from the Guggenheim Collection: 60 paintings by Picasso, Braque, Dubuffet, Bacon, Chagall, Kandinsky and Miró. Ends Sep 25. Closed Mon

LAUSANNE

Musée d'Art Contemporain Contemporary Picasso: 80 works 1946-1971, including 30 paintings and a dozen sculptures. Ends Sep 25. Daily
Musée Olympique Miró: 41 sculptures covering his [illegible] career, plus 13 prints from the 1960s and 1970s. Ends Sep 4. Daily
Fondation de l'Hermitage Zborowski's Painters – Modigliani, Utrillo and Soutine: 100 works conjuring the aesthetic favoured by the early 20th-century Parisian art dealer. Ends Oct 23. Closed Mon

LONDON

Hayward Gallery Bonnard at Le Bosquet: 80 works by the French painter who bought the Villa du Bosquet on the Côte d'Azur in 1926 and painted many of his greatest works there. Ends Aug 29. Daily (advance booking 071-928 8800)
Tate Gallery R.B. Kitaj (b1932): retrospective of the American-born figurative painter who has lived in Britain since the 1950s. Ends Sep 4. Daily
Marlborough Fine Art R.B. Kitaj: recent pictures and graphics. Ends Aug 20. Closed Sun
Victoria and Albert Museum Pugin – A Gothic Passion: retrospective of the 19th-century British designer. Ends Sep 11. Daily
National Gallery From Caspar David Friedrich to Ferdinand Hodler, A Romantic Tradition – Paintings and Drawings from the Oskar Reinhart Foundation. Ends Sep 4. Daily
Royal Academy of Arts Impressionism [illegible] Symbolism – [illegible] Belgian [illegible] 1880-1900: around 60 paintings, sculptures and [illegible] illustrating [illegible] remarkable artistic revolution which [illegible] in Belgium [illegible] and the turn of [illegible] century. Ends [illegible] 2. Daily (advance booking 071-240 7200)
British Museum Indian Paintings and Drawings from the Collection of Howard Hodgkin. Ends Aug 21. German Printmaking in the Age of Goethe. Ends Sep 11. Daily

MUNICH

Haus der Kunst Elan Vital: 400 works exploring [illegible] links [illegible] Kandinsky, Klee, Arp, Miró and Calder. Ends Aug 14. Closed Mon
Stadtmuseum Paul Strand: the first important European exhibition devoted to the celebrated American photographer, who died in 1976. Ends Aug 7. Closed Mon

NEW YORK

Metropolitan Museum of Art Petrus Christus: 22 paintings by the 15th-century Netherlandish master, renowned for the jewel-like luminosity of his work. Ends July 31. Picasso and the Weeping Women: 80 paintings and works [illegible] paper from the 1930s and 1940s. Ends Sep 4. The Annenberg [illegible] of Impressionist and [illegible]-Impressionist [illegible]: 53 paintings, drawings and watercolours. Ends Nov 27. Dali – The Early Years: 59 paintings and 66 drawings, exploring the journey from his native Catalonia to his student years in Madrid. Ends Sep 18. Closed Mon
Museum of Modern Art From Manet to Picasso – Masterpieces from the David and Peggy Rockefeller Collection. Ends Sep 6. British Drawings 1890-1990: the exhibition highlights the work of early modernists such as Vanessa Bell and Jacob Epstein, and examines the influence of surrealism on such artists as Henry Moore and Edward Burra during the 1930s and 1940s. The postwar section includes work by Lucian Freud and David Hockney. Ends Sep 13. Closed Wed

PARIS

Grand Palais The Origins of Impressionism [illegible] Aug 8. Closed Tues
Musée [illegible] Nadar, Photographs [illegible] Nadar was [illegible] friend of writers and painters, [illegible] portraits raised photography to a creative art. Ends Sep 11. [illegible] Mon
[illegible] **Georges Pompidou** Joseph Beuys: retrospective of the gentle revolutionary, a politically engaged artist whose piano draped in grey felt belongs to the [illegible] permanent collection. Ends Oct 3. Closed Tues
Musée d'Art Moderne de la Ville de Paris Dutch Art of the 20th Century: the first part traces developments from [illegible] Gogh [illegible] Mondrian, [illegible] 10 contemporary [illegible] Ends July 17. [illegible] (11 ave du [illegible] Wilson)

VIENNA

[illegible] Oppenheimer (1885-1954): retrospective [illegible] one of [illegible] neglected figures in early 20th-century [illegible] art. Ends [illegible] 18. [illegible] Sat
Künstlerhaus [illegible] and Dictatorship: an [illegible] comparing Hitler's, [illegible] of [illegible] art in paintings and sculpture. Ends Aug 15. Daily

VENICE

Antichi granai [illegible] **repubblica** China in [illegible] BC – The [illegible] of Xi'an: 10 [illegible] 7,000 lifesize [illegible] guarded the tomb [illegible] Emperor Qin Shihuangdi in central China, along with copies [illegible] and weapons [illegible] in [illegible] of this century's most dramatic digs. Ends Sep 11. Daily (the old granary on the tip [illegible] the Giudecca)
Palazzo [illegible] from Brunelleschi [illegible] Michelangelo: [illegible] from European and American public collections. Ends Nov 6. Daily

WASHINGTON

National Gallery of Art Willem [illegible] Kooning's Paintings: [illegible] by the influential [illegible] abstract expressionist. Ends Sep 5. From Minimal to Conceptual Art – [illegible] from [illegible] Vogel Collection: 90 drawings, photographs, paintings and sculpture by contemporary [illegible], including LeWitt, Christo, Ryman, Beuys [illegible] Flavin. Ends [illegible] 27. Daily

BRETTON WOODS YEARS

Rules needed for new age

John Williamson continues the Bretton Woods series

When the Bretton Woods conferees concluded their deliberations of 50 years ago, they thought they had created a new international monetary system to replace the monetary anarchy of the 1930s, and a new bank that would replace the international capital market which had been killed off by the defaults induced by the Great Depression. The Bretton Woods monetary system died in the early [illegible] The international capital market confounded the conferees' expectations. It revived [illegible] a point where it at [illegible] its golden [illegible] before the first world war. The contribution of the World Bank [illegible] international lending is now marginal.

The remaining legacy of the Bretton Woods conference is the two large bureaucracies known as the International Monetary Fund and World Bank. Since the original remit of both institutions has vanished, and bureaucracies are inherently unlovable, it is not too surprising that there are suggestions to abolish them.

But the "50 years is enough" campaign is orchestrated by those who are not necessarily dedicated to the objectives that both organisations are now pursuing: helping poor countries catch up with rich ones and assisting former centrally planned economies to make the transition to a market economy. Both have, in fact, exhibited a substantial measure of flexibility in adapting their operations to evolving circumstances. The task of development, or of making the transition from communism to the market economy, would be even harder without the technical expertise and financial support the Bretton Woods institutions provide.

Since the 1970s, however, both the fund and the bank have been providing increasingly similar support to the same group of countries. Given the overlap, thoughts of merging them inevitably arose. They are less easy to dismiss than calls to abolish them.

The only convincing answer to those subversive thoughts would be a return by the IMF to the monetary vocation for which it was created. Its current role of fostering macroeconomic discipline in non-industrial countries would then revert to being a by-product of its central task of overseeing the international monetary system, rather than the be-all and end-all of its existence.

'Both organisations have exhibited a substantial measure of flexibility in adapting their operations to evolving world circumstances'

There are reasons for believing such a return could improve world economic performance. The heyday of the Bretton Woods system, from the end of the postwar recovery in the late 1950s until the late 1960s, was the best decade the world economy has experienced. It was a golden age in terms of the speed and wide distribution of growth, with low inflation and payments imbalances that caused concern but, because of that, did not build up large debt overhangs threatening prosperity.

This impressive performance was aided by the opportunities of catch-up growth in Europe and Japan, the scope for exploiting the first, easy stage of import substitution in developing countries, the inheritance of low inflation, and the absence of big economic shocks. Nevertheless, the Bret[illegible] with [illegible] balance-of-pay[illegible] discipline and equilibrium exchange rates, alongside full employment, helped.

[illegible] the [illegible] 1971 have not yielded disasters comparable with the 1930s, the cup is [illegible] than half full. A massive overvaluation of sterling in the early 1980s destroyed far too much of British manufacturing. In the mid-1980s, there was an equally large overvaluation of the dollar, the reaction to which threatened the international trading system.

Happy-go-lucky attitudes toward payments imbalances led directly to the international debt crisis, which cost much of the developing world a decade of progress. The attempt to freeze European exchange rates prematurely led to a far deeper recession than would otherwise have occurred. These ills were not unavoidable; they were not avoided because there were no rules of the game as appropriate to their era as the Bretton Woods rules were to the 1960s.

Bretton Woods rules cannot be resurrected, primarily because capital mobility has made it very difficult to manage exchange rates with narrow bands and occasional jumps in central rates. But that is no reason for failing to design rules that would be equally appropriate to our age.

Such rules should provide for a system of "target zones" for exchange rates, with central rates set for consistency with satisfactory medium-run macroeconomic outcomes and regularly revised to prevent their becoming outdated. Concerted intervention, backed up, when necessary, by changes in interest rates, could prevent rates leaving the zones even under the current situation of high capital mobility, provided intervention did not occur until it was virtually certain that the market had overshot.

Ideally, there would also be international pressure for responsible fiscal policies, meaning far smaller budget deficits over the cycle, combined with active anti-cyclical stabilisation. It is difficult to envisage this happening soon. But politicians are searching for institutional mechanisms that will tie their hands with respect to fiscal policy. Why not offer them a way of committing themselves to economically sensible rules, instead of to balanced budgets or the arbitrary Maastricht limits?

In a recent speech at the Institute for International Economics, the managing director of the IMF stated that he yearned for more currency stability. He also declared that, in many ways, circumstances were now propitious for movement in that direction. The obstacles, he implied, lay in the continuing resistance of many of the member countries.

It would have been an ideal 50th birthday present for the IMF if the most powerful and most resistant of those members, the Group of Seven leading industrial countries, had invited the managing director to their Naples summit this weekend specifically to explore ways of rebuilding an international monetary system worthy of the name, in whose management the IMF would once again have a central role.

The memory of Bretton Woods would be even better honoured if the summit asked what else needed to be done to update the international economic system. So far as the World Bank is concerned, there is nothing that could not be remedied by having a president who had spent a lifetime in economic development.

The Bretton Woods twins are about to be joined by their long-lost sibling, a World Trade Organisation, to ensure countries take account of the global interest in liberal trade. But the agenda has broadened since then. There is also a need to create a Global Environmental Organisation, to ensure that similar account is taken of environmental spillovers.

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Joe Rogaly

Ride on the big gripper

Warning: do not mishear what is to follow. It may sound like another replay of that many-times discredited theme, "Major rises; Tories resurgent." It is not. On present form the Conservatives are headed for defeat at the general election of 1996 or 1997. Those of us who have twice or thrice made the mistake of writing up the prime minister or his party should have learnt the lesson by now. Mr John Major is still the least popular holder of his office in postwar memory. He is a weak leader of an unstable coalition of fundamentally opposed factions of the right and centre. He is, and may be doomed to remain, an object of national derision.

Got it? Fine. Then let it be acknowledged that the prime minister, in free fall until a few months ago, seems to have reached firmish ground. This is not saying much. There was hardly a great deal of downwards direction in which to go. He is, however, a beneficiary of the first manifestation of progress, namely an absence of further deterioration. The government seems to have cured itself of the habit, so distressing to its practitioners, of knocking its head against a wall. One of its scathing internal critics, a senior minister who a few months ago expressed near-despair at the prime minister's floundering, and moaned aloud at his deficiencies as a leader, is saying that Mr Major is showing signs of "grip". Just a little, but it appears to be there.

Grip is a magic word in Conservative circles. It means taking charge, making things happen, planning a strategy and sticking with it. Without it you are condemned to withdrawing everything you say, to a series of policy somersaults, to the sneers of the populace and a persistent hail of bad luck. Grip is what Lady Tha[illegible] until [illegible] She lost it and within a couple of years she was out. Mr Major, if he ever had it, mislaid it in September 1992. As chancellor, he had the then prime minister enrol Britain in the exchange rate mechanism. On Black Wednesday sterling was ejected from the ERM. Mr Major's strategy was [illegible] to pieces. Bye bye grip.

It would be depressing to recount the history of the government's subsequent misfortunes. Just let us say that rarely has such humiliation been inflicted on so deserving a collection of individuals, giving such perverse pleasure to so many. This week the catcalls appear to be dying down. Fewer rotten tomatoes are being flung. It is no longer chic to barrack Mr Major and his government with quite the enthusiasm of the early spring. This change in the political mood needs some explanation, beyond the familiar list of reasons why each of the possible successors to the prime minister would be unsuitable or unlikely to challenge him.

The catcalls are dying down. Fewer rotten tomatoes are being flung. It is no longer chic to barrack Major with quite as much enthusiasm

The principal factor is the apparent general acceptance of a multi-speed Europe, a notion elaborated by Mr Douglas Hurd. Moderate Euro-sceptics appear to have acquiesced in his wheeze. Using the Hurd formulation, sometimes called variable geometry, as a basis for anti-European rhetoric will not trigger a serious revolt by pro-Europeans so long as the foreign secretary [illegible] plus [illegible] chancellor, Mr Kenneth Clarke, and the trade [illegible] industry secretary, Mr Michael Heseltine, remain paid-up signatories. The Hurd concordat allows Mr Clarke to say that he favours monetary union, while Mr Michael Portillo asserts that he does not. Thus fortified, the cabinet (or nearly all of it) followed Mr Major into the streets to campaign in the elections to the European Parliament. The Conservatives lost badly, but not so horribly as forecast. The prime minister took his bows in the garden of No 10 Downing Street.

It was an easy act to follow. Mr Major's loud rejection of the Franco-German candidate for presidency of the European Commission enhanced the impression that he was taking control, and won Lady Thatcher's approval. At last night's meeting of backbenchers he exuded an air of confidence. Some say that he has passed through unendurably bad times and emerged the stronger for it. I'll believe this when he has kept it up for a year. He might. He may not have been born with grip, but grip is being thrust upon him.

His next trick will be to reshuffle his cabinet. It was dotty to announce in the rose garden that all his ministers' jobs would be in danger for a few weeks, but that period is now drawing to a close. The long advance notice created an expectation that the changes will be substantial. They had better be, although it is hard to see in what way. If Mr Hurd postpones his retirement for another year, the [illegible] offices – foreign secretary, home secretary and chancellor – may well remain untouched, while Mr Heseltine will be difficult to dislodge from industry. If only lesser individuals are to be moved, Mr Major will have to demonstrate grip by shifting as many of them as possible.

I have no idea what he will do. Some say that Mr David Hunt remains front-runner to replace Sir Norman Fowler as party chairman. That would release the Department of Employment, a cabinet newcomer's post that could suit Mr Stephen Dorrell. Mr Major needs to promote more Tory women. My favourite for education secretary is Mrs Gillian Shephard, who has a good track record in local education. She would be well placed to win both teachers' and parents' support for the national curriculum, testing and league tables, and unlikely to press for further opting-out. Her chair at agriculture could go to Mr Michael Portillo, who might enjoy debating the Common Agricultural Policy with [illegible] continental [illegible] Blatch could take on the Department of Heritage in the Lords. Mrs Emma Nicholson could become minister for the disabled, and the Angelas Knight and Browning might profitably be moved up the lower slopes.

Assuming that his reshuffle is successful, the prime minister may arrange for a summer of planned sequential departmental announcements of good news. The party conference in October will be Euro-sceptic and right-leaning, even if Mr Hunt is maestro. The Queen's speech is likely to contain few if any surprises. "Consolidation" is the current demand. The November Budget will doubtless be hailed as "steady as she goes". If fate allows all this to proceed according to plan, Mr Major's precipitate [illegible] the abyss will truly [illegible] an [illegible] But [illegible] warning [illegible]

LETTERS TO THE EDITOR

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Spread of nuclear weapons

From Ms Megan Ryan and Mr Nicholas Lenssen.

Sir, Bronwen Maddox raises some excellent points in her critique of the International Atomic Energy Agency ("Soft bark and a weak bite", July 4). However, even if her call for the watchdog to "be more alert than in the past" were heeded, it would do little to stop the spread of nuclear weapons.

Given the conflicting nature of the IAEA's charter, in which it is specifically called upon to promote peaceful uses of nuclear power, regulate nuclear safety and control proliferation of nuclear weapons, it is doubtful that increased vigilance will do the trick. It is impossible to promote civilian nuclear technology without increasing the risk of nuclear weapons proliferation.

As the 1946 Acheson-Lilienthal report to President Truman stated: "The development of atomic energy for peaceful purposes and the development of atomic energy for bombs are in much of their course interchangeable and interdependent." This connection continues today, as illustrated by Bronwen Maddox's example that new technology makes it increasingly easy to convert uranium and plutonium from commercial grade to weapons grade.

The IAEA's current position is analogous to the fox guarding the hen house. To resolve the dilemma, the IAEA will need to abandon its role of promoting nuclear technologies – which would require amending its charter. It is not simply a question of waking up the fox, as Maddox suggests.

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Devaluation merely debilitates

From Mr Doug Henwood.

Sir, While it was cheering to read an honest diagnosis of the US economy – rare in these days of celebration of the American way of life – it is disappointing that Wynne Godley and William Milberg (Personal View, July 6) concluded that a cheaper dollar is "just what is needed". Yes, the US suffers from a chronic trade deficit and is again sinking deeper into cross-border hock. And for the first time since before the first world war, the US is no longer a net earner on foreign investments. (I point this out not to celebrate the virtues of overseas assets, only to note a profound shift in international relations.) But will depreciating the currency solve the problem?

Devaluation is the economic equivalent of steroids: it can bulk you up for a little while, but it is debilitating over the long term. As Keynes famously noted, admittedly before he was really a Keynesian, debauching [illegible] currency "engages all [illegible] hidden [illegible] on [illegible] of destruction, and does it in a manner which not one man in a million is able to diagnose". It impoverishes a country on a world scale, and diverts attention from serious underlying problems like chronically low investment levels, political drift, and social decay. Among the countries with chronically depreciating currencies are the UK and Argentina; with appreciating ones, Japan and Germany. Which club would you rather belong to?

The answer is not some Volcker II, a dramatic tightening by the Federal Reserve; while that might boost the dollar for a while, it would depress real investment and further worsen the trade picture, which is the last thing the US needs. Instead of reviving one of the less fortunate aspects of the Keynesian legacy, devaluation, we might revive some of the more intriguing aspects, namely the repression of finance and the "somewhat comprehensive socialisation of investment".

Of course, these are deeply unfashionable things to say, but who wants to be a slave of fashion?

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A way round the vagaries of regulators

From Mr David Rudd.

Sir, Some shareholders of privatised companies whose profits are subject to the vagaries of the regulators ("Power companies await the crunch", July 2/3) may wonder whether their interests and those of consumers are really so inevitably opposed, as is generally assumed.

Could not a formula be found which would allow the benefits of modernisation, rationalisation and investment to be shared equitably between the parties, without stifling the companies' incentives to economise on the one hand or enabling them to rip off the consumers on the other?

The answer is that it could if the regulator would only tear himself away from the two well-known methods of regulation, known as "rate of return regulation" and "price capping", both of which have failed so lamentably in the past. The formula needed is for profits to be limited, not by rate of return nor by prices per se, but by reference to the benefit the company brings to its customers by way of price reductions from year to year. Such a formula was published two years ago in the July 1992 *Political Quarterly*.

This would enable the company to retain large profits as long as it passes on a proportion of its economies to its customers; profits would be inexorably reduced if the company tried to swell them at the expense of customers. The whole process is automatic, so [illegible] regulator [illegible] not intervene to keep the company on its toes.

And the company need not look over its shoulder all the time to try to guess how severe the regulator will be after the next review.

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Institutions and the search for non-executives

From Mr Nigel Wilkins.

Sir, It is understandable that questions should be raised over the quality of non-executive directors, with 84 per cent of institutional investors surveyed taking the view that non-executive directors are less effective than expected ("City slams 'low calibre' non-executive directors", July 4).

What is more difficult to understand is why these institutional investors make such little use of their considerable voting strength as shareholders to remove lightweight non-executive directors and replace them with individuals of sufficient calibre.

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Privatisation, not efficiency, the real government objective

From Mr John Sheldon.

Sir, The leaked details of the government's forthcoming civil service white paper ("Cabinet plan to reform Whitehall pay bargaining", July 5) are noteworthy not for the references to delegated pay bargaining so much as the predicted move from market testing to straight privatisation.

It is claimed that there will be "a reduced emphasis" on market testing and "increasing encouragement for privatisation"; apparently because market testing [illegible] costly and pri[illegible] sector [illegible] "reluctant to bid because most contracts are won by depart[illegible]

[illegible] interesting [illegible]ing. Of the first £1.1bn-worth of [illegible] tested, [illegible] private sector was awarded £855m-worth. Of this, £768m was directly contracted out, with no in-house bid permitted. [illegible] an in-house bid was allowed, six out of seven of the market tests were won by the in-house team. So much for the exhilarating effects of exposing civil servants to the chill winds of competition with the private sector.

In the foreword to the 1991 white paper, Competing for Quality, the then chancellor, Norman Lamont, said: "Ser[illegible] may be bought [illegible] from the private [illegible] or [illegible] public sector; we have no dogmatic preference for either one [illegible] other . . . we [illegible] public [illegible] will welcome [illegible] opportunity to compare [illegible] services they provide in fair and [illegible] competi[illegible] with the [illegible] pri[illegible]"

[illegible] examination [illegible] the [illegible] Citizen's Charter second report [illegible] government claims [illegible] annual savings [illegible] be virtually meaningless, the figures having been calculated [illegible] anticipated savings over a 10-year period. Even then a note warned that "the calculation of any net savings figure should be treated with caution and regarded as illustrative only".

So, on two counts the government stands exposed as having as its real objective not efficient public services but rather *privatised* services – regardless of the quality. Public servants and public service users are entitled to better than this.

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Friday July 8 1994

Bretton Woods and the G7

Just a photo opportunity: that is how one knowledgeable observer has already dismissed the summit of the group of seven leading industrial countries, due to start in Naples tonight. It could well prove to be an accurate forecast. Fortunately, President Clinton comes armed with a number of ideas, some of which, notably the call for an official review of the International Monetary Fund and World Bank, deserve support.

It is, in any case, wrong to overdo the cynicism. At the least [illegible] summits help leaders know one another better. Summits can [illegible] push [illegible] decision-making forward. The Uruguay round of multilateral trade negotiations might never have been finished if successive summits had not reminded more recalcitrant leaders of its importance. Now they can remind one another of the need to ratify the outcome. But summits are not the right place for day-to-day economic management. On exchange rates, the question leaders should ask themselves is not whether the ailing dollar needs support, but whether the system needs modification.

Not all the topics on the agenda are likely to prove equally productive. But now is the right time for the G7 to pay attention to the Bretton Woods institutions. This is appropriate, not just because of the 50th anniversary of the initial conference, but also because the world has changed so much in recent years.

Global co-operation

Communism [illegible] collapsed, largely [illegible] postwar economic [illegible] summit bears witness to this change. With the passing of the strategic threat it posed, [illegible] international [illegible]nomic system is both the heart of global co-operation and a potentially potent source of conflict. Also important is the rapid economic growth of populous east Asia, which may soon deprive the present G7 of the capacity to determine the shape of the international economic system. In addition, the agreement to create the World Trade Organisation, reached since the last summit, means that now is the appropriate time to return to the topics of [illegible] macroeconomic co-operation and development assistance.

The Bretton Woods commission, under the leadership of Mr Paul Volcker, has helped define the issues. It calls for the major industrial governments, first, to strengthen macroeconomic policies and convergence and, second, to establish a more formal system of co-ordination, including target bands for exchange rates. Managing this would become the IMF's central role, leaving development assistance to a reformed World Bank Group. The [illegible] have a [illegible] the private sector, largely through an expanded role for the International Finance Corporation.

Fiscal deficits

[illegible] consideration, above all in the G7, [illegible] alone can ensure any conclusions are put into effect. But they are not all equally persuasive. Those on the World Bank and the relationship between it and the IMF seem cogent. [illegible] convincing is the call for better fiscal policy, the greatest need being smaller fiscal deficits over the cycle.

The most controversial question is whether, now that inflation has converged at low levels, greater exchange rate stability can also be achieved. It is easy to accept that floating rates have not behaved as well as people once hoped. It is more difficult to agree that this has been one of the main reasons for the slowdown in growth since the 1960s. Nor, particularly after the ERM's melt-down last summer, is it obvious that there exists a workable alternative. The tighter any exchange rate bands, the more demanding the system, in terms not just of knowledge about where limits should be set, but also of the willingness of the members to subordinate domestic goals to international obligations.

Nevertheless, it makes sense for the G7 to confront the question of reform. To do so, it should set up high-level task forces, to make recommendations on how to achieve the goals of the Bretton Woods conference, 50 years on. Attempting this task is both timely and important. It would also [illegible] suitable homage to those wise [illegible] of 50 years ago, whose achievement can be seen in the fact that the G7's second, third and fifth largest economies were then enemy powers.

The G8 and a plan for Bosnia

On the face of it, the world leaders assembled in Naples do not need to do anything about Bosnia. Their foreign ministers have already worked out a peace plan and the ball is now in the court of the warring parties, which have been given until July 19 to decide their response.

Yet Bosnia certainly will be on the summit agenda, if only because the Italian [illegible] placed it there. As a close neighbour of the former Yugoslavia, with an [illegible] interest in the outcome of the war there, Italy is understandably [illegible] exclusion from the "contact group", in which the EU [illegible]sented by Britain, France and Germany. Beyond that, the inclusion of Russia for the first time in the political part of a G7 summit offers a timely opportunity for the leaders of Europe, America and [illegible] emphasise, and to cement, their new-found unity [illegible] the conflict.

It is indeed this unity of sponsorship which constitutes the main novelty in the plan, and the only element which gives it any better chance of success than its predecessors. Otherwise the content is broadly familiar, and has not changed significantly since last November, when France and Germany produced their "action plan" and persuaded the EU to back it. Indeed, the basic principle of a *de facto* partition within a *de jure* union was agreed as long ago as last summer. The EU merely adjusted the percentages somewhat in favour of the Moslems, while offering Serbia the carrot of lifting sanctions. In March this year the US negotiated an agreement between Moslems and Croats, so that since then the main focus has been on the share of territory allotted to the Serbs, namely 49 per cent, as opposed to the roughly 70 per cent that they hold at present.

Arms embargo

To the carrot is now added a stick, in the shape of a warning that if the Serbs reject the plan, the UN security council will lift the arms embargo, enabling the Moslems and Croats to pursue the war more effectively. At the same time the Moslems and Croats are warned that, if *they* reject the plan, sanctions on Serbia will be lifted. In either case, the UN protection force (Unprofor) would almost certainly be withdrawn. But if both sides accept the plan it would be strengthened, notably with a large US contingent.

The question now, therefore, is whether the unity of the contact group is strong and credible enough for both sides to take it seriously. Unhappily, there is still much room for doubt on that point. The Moslems know that the US is far from enthusiastic about deploying troops to support a plan which, with good reason, it regards as morally tainted: a plan that would partially ratify Serb "ethnic cleansing" by leaving in Serb hands several towns which had Moslem majorities before the war. The US has consistently advertised its preference for lifting the arms embargo; and last week in the Senate a resolution which would have forced the administration to pursue this option unilaterally failed by only one vote.

Desperately familiar

Similarly the Russians, and indeed the British and French, have so often voiced opposition to lifting the embargo that the Serbs will not easily be convinced that they are willing to agree to it, even if the peace plan fails. Both sides will see the next phase not as one in which they have to accept the plan and implement it in good faith, making the best of a bad job, but rather as one in which each manoeuvres to avoid implementing it while letting the other take the blame. Indeed, President Izetbegovic has admitted this with disarming frankness: "We will be saying yes, since the Serbs will be rejecting it."

All this is desperately familiar from the time of the Vance-Owen plan, and the danger is that the contact group will be unable to agree either on which side is responsible for the plan's failure, or on how much extra time to give them to come round. It is therefore vital that the leaders of the countries concerned take advantage of being together in Naples to make clear their personal commitment, not only to the plan as such but to specific criteria by which the co-operation of the parties will be judged, and specific courses of action to be taken if they do not co-operate.

Search for a way to stay afloat

John Willman explains why social security reforms could cut unemployment

Full employment is back at the top of the policy agenda. At a conference on Tuesday organised by the UK Trades Union Congress, Mr David Hunt, the Conservative employment secretary, business and union leaders committed themselves to cutting jobless queues to the minimum.

Mr Hunt was candid enough to point out that there remains [illegible] agreement [illegible] full employ[illegible] achieved. [illegible] is a gulf between [illegible] see [illegible] inflation and deregulation [illegible] want reflationary policies.

But there is a growing consensus that, if full employment is to be realised, reforms to the social security system are needed. "A welfare [illegible] modernising if it is to encourage the [illegible] market flexibility that [illegible] widely seen as essential to competitiveness in the [illegible] economy," says Mr Andrew Dilnot, director of the Institute for Fiscal Studies.

The [illegible] for [illegible] security [illegible] from [illegible] changing nature of work. As last month's jobs study from the Organisation for Economic Co-operation and Development pointed out, many of the new jobs emerging in the advanced economies are low-productivity, low-wage jobs. The gap between the better paid and the worst paid is widening in most countries, according to a recent IFS study. In the UK, hourly [illegible] of [illegible] lowest-paid men have fallen in real terms since 1976, while in the US below median wages have been falling for the past 20 years.

In many countries, [illegible] systems discourage the unemployed from accepting new jobs which offer wages close to – or even below – [illegible] of [illegible] paid [illegible] unemployed. The OECD study recommended that social security systems should pay benefits to people who take up low-paid jobs to ensure that they are better off in work than on the dole.

The UK is the only large European country to have attempted to go down that path with Family Credit, a benefit for low-paid [illegible]ers with children. More than 500,000 families receive this means-tested benefit, getting an average of £42 a week tax free, to top [illegible] income.

To get Family Credit, the breadwinner must work for 16 hours or more a week and be responsible for at least one child. The amount of benefit depends on the number and [illegible] family income – based on earnings net of tax, national insurance and pension contributions.

If family income is £71.70 a week (or less), the family receives the full amount of benefit. For a family with two children under 10, this would [illegible] £66.70. Such a family would also receive £18.45 a [illegible] in child benefit, so Family Credit creates an effective floor for their income of £156.85 (£71.70 + £66.70 + £18.45). So long as they claim their benefits and stay in work, they are unlikely to sink below this level.

According to a recent survey by the independent think-tank Policy Studies Institute, Family Credit leaves couples on average about £18 a week better off in work than if they gave up their jobs and took unemployment benefits. Single parents are about £30 a week better off.

"The majority of families with experience both of unemployment and working on Family Credit said they preferred being in work on Family Credit to a life on the dole," says Mr Alan Marsh of the PSI.

There have been difficulties in persuading many of the people who ought to be getting Family Credit to make a claim. However, a prolonged publicity campaign has raised take-up to about two-thirds of those eligible. Of those that don't claim, many would have been entitled to only small amounts and may have chosen not to claim.

Ministers certainly regard Family Credit as having encouraged people to take low-paid jobs. Mr Kenneth Clarke, the chancellor, is considering extending it to cover childless couples and single people. That would add another £1bn a year to the £1.2bn already spent.

Mr Howard Davies, director-general of the [illegible] of British Industry, has proposed a more fundamental overhaul of benefits both for those in work and the unemployed, to cater for the demand for greater flexibility in labour markets. [illegible] UK [illegible] designed for a world of full-time, regular work in which a male breadwinner brings home the family income. Increasingly, employers are looking for less rigid work patterns and want workers prepared to work on a part-time, casual or seasonal basis.

Even with Family Credit, the benefits system still discourages unemployed people – and their partners – from accepting such flexible [illegible]. "With benefits, we [illegible] a kind of crystal maze of traps, tapers, withdrawals and disregards," says Mr Davies. "It is a maze from which many unemployed people find it hard to escape."

Unemployed people, who are entitled to Income Support, for example, can earn only small amounts each week ("disregards") without losing [illegible]. Any part-time income over £5 a week (£15 a week for long-term unemployed) reduces the amount of benefit pound for pound. At such low levels, accepting part-time or casual jobs could [illegible] them worse off after travel and other work expenses.

Their partners' income is similarly treated, providing an equally strong disincentive for them to seek work. A recent study found that only 12 per cent of wives of unemployed men were working more than eight hours a week, although more than half wanted to work. The [illegible] "work-poor" [illegible] reliant on [illegible].

The wife (it is almost always the wife) in a couple on Family Credit has a similar problem if she accepts low-paid [illegible]. Her wage will reduce – perhaps extinguish [illegible]gether – the [illegible] Family Credit, leaving them little or no better off. If the work is insecure, she may decide to stick with the assurance of a weekly benefit cheque.

In a world where wages for the unskilled are falling, creating "work-rich" households with both partners in work is the key to reducing dependency. Rules which make it harder for wives to take whatever work is on offer leave families trapped on a single low income and reliant on the state.

One option would be to increase the disregards, which have remained at current levels for years. A disregard of £30 might allow someone [illegible] work a day a [illegible] without losing [illegible] benefit.

A second option would be to allow unemployed people to accumulate their disregards across sev[illegible] weeks, [illegible] that they could take an occasional temporary job without coming off benefit altogether.

A third option would be to reduce the rate at which benefit is cut when income is higher than the disregards. [illegible] withdrawal rate was reduced below 100 per cent, there would be an incentive [illegible] accept [illegible] work.

[illegible] radically, separate disregards could be introduced for husband and wife. This would provide an incentive for [illegible] accept part-time and low-paid jobs. If it encouraged both [illegible] into jobs, it would help narrow the [illegible] between work-rich and work-poor households.

A further deterrent to entering insecure forms of work is the difficulty recipients [illegible]ing between benefits for the unemployed and in-work bene[illegible].

"Life [illegible] benefits maze, while not exactly a life of Riley, can seem more predictable and in some ways secure than the uncertain job market," says the CBI's Mr Davies. Taking a job means leaving Income Support and claiming Family Credit and – for tenants – Housing Benefit. Despite streamlining the system for claiming Family Credit, it can still take several weeks to receive payments. Housing Benefit can take much longer.

Although benefits payments are backdated, the delay leaves a nasty gap in the finances of people who normally have little or no savings to live off. This sudden loss of income comes at a time when returning to work may involve one-off expenses, to buy tools, work clothing or transport. Some sort of return-to-work payment – perhaps set against future Family Credit payments – would bridge the gap. Alternatively, [illegible] disregards might be rolled up to continue paying Income Support.

Creating a one-stop benefits shop for the unemployed would also be a step forward. The aim would be to provide a seamless flow of benefit income for those returning to work and for those moving back from jobs that peter out.

"People don't only [illegible] level of [illegible] they will [illegible] by re-entering work," says Ms Eithne McLaughlin, of Queen's University, Belfast. "They give weight to the sources of income, including their reliability."

The good news for policymakers is that the majority of unemployed people – including [illegible] long-term unemployed – are seeking work and would prefer paid work to unemployment. The trick is to give them the confidence to make the leap from the security of the dole in an increasingly insecure labour market, confident that they will not be digging themselves into debt.

Life at the sharp end

Chris Tighe on a working man caught in the poverty trap

For John, a supervisor with a small company making wooden kitchen and bathroom furniture in Gateshead, the £28 a week he receives in Family Credit is a lifeline in the struggle to make ends meet.

"It's very tight," he says. "I'm not talking of the last £10 or £15, I'm talking down to the last penny. We do without all sorts, luxuries, food, going out. Holidays? No chance."

His weekly wage of £150 gross for a 39-hour week has to support him, his wife and two children aged [illegible] and 2. He has no opportunity for overtime earnings.

On the industrial estate where he works, there are lots of lads, single men, on £120 a week, says John. He knows of [illegible] and 17-year-olds on only £50 a week.

Now 25, John left school [illegible] with CSEs but no [illegible] Levels. He went on Youth Training schemes and Employment Training before landing his cherished job, initially at £135 a week.

He and the workmate he supervises are proud of their work as wood machinists. They have told the boss of other job offers they have had and he has promised to raise John's wage soon to £180, to make sure he stays.

"I enjoy my work here; I've got a good reputation for the work I do," says John. "It's being out of the house, working, and knowing things will get better."

But he admits: "When I [illegible] down, I occasionally work out how much I would get on the dole. There's not much difference."

Last Christmas, his wife had a temporary job in a supermarket. "She was getting more than me."

She is now training as a creche worker. "She'll be on £4.75 a hour – that's more than I'm getting." He says his wife and her fellow trainees, who expect to be employed at a creche near their homes, have been told they will not be allowed to work more than 15 hours a week, to keep below the national insurance threshold.

John expects his promised wage rise will wipe out his entitlement to Family Credit, making the family almost no better off. In this he is probably wrong - although many people on Family Credit believe pay rises reduce benefit pound for pound. The withdrawal rate depends on a number of factors, but never reaches 100 per cent. While he remains a low-wage earner his family's income can rise markedly only if his wife can get out to work too, he says. Her earnings as a creche worker would more than outweigh the loss of Family Credit.

The weekly rent on their house is £29. He says things have been better financially since he and his wife got on top of the heavy hire purchase outgoings for the television, video and the car.

The latter is no luxury: the C-reg Vauxhall Cavalier is the vital connection between his Sunderland home and his Gateshead workplace. Keeping it going is a big commitment, made no easier by vandalism on the estate where he lives.

Regularly replacing smashed car [illegible] is an [illegible] drain on resources. "The car's out on the road. It's always getting broken into. I pay the damage - there's no point claiming."

Some on the estate are not bothered about the lack of work, he says. They make up their income from crime: "They can go out and pinch six videos and get more than I earn in a week. But one day they'll get their come-uppance."

Informing the police is not the streetwise thing to do. "If you report them, they don't think twice of putting your windows out; they don't care who's in the house."

John says he and his wife keep [illegible] themselves. His full name has not been used in this article at his request out of concern for his family's safety.

He hopes in future years to fix up a job for his son at the same factory. "It's who you know, not what you know," he says. "It's all through the grapevine."

OBSERVER

Chairmen of all battles

■ The girls of St Trinians could not have thought up a better plot. The fate of Felixstowe College, a boarding school in Suffolk, has been thrown into the unlikely hands of Andrew Buxton, chairman of Barclays Bank, and Saddam Hussein, the president of Iraq. The mind boggles at the possibilities.

It all started when Felixstowe announced a couple of weeks ago that [illegible] would close at the end of this term because it had run up sizeable debts. However, this week's sale of the former dartboard in Canford School's tuckshop – a £7m Assyrian frieze – has offered a possible lifeline for Felixstowe, a fellow member of the loosely-grouped Allied Schools – chairman Andrew Buxton. [illegible] seems the schools have a policy of guaranteeing each other's debts.

There is therefore a possibility – albeit remote – that part of Canford's windfall could be used to bail out the distressed gentlewomen [illegible] Felixstowe. Buxton was in a huddle with Allied Schools' governors at Barclays' head office in London yesterday.

However, any rescue plan might still have to be passed by Saddam whose spokesman has described the action of selling the frieze as "obnoxious". Iraq said it would use all legal means to recover the carving and the country's Revolutionary Command Council has also sentenced "smugglers of antiquities" to death, just to raise the [illegible] a little higher.

But for the parents and teachers of Felixstowe College, if not the gels, it is already a matter of life and death.

Hole in one

■ Should any readers happen to insure their boats with Eagle Star, here's a piece of inside information. Don't be too [illegible] about any little bumps and claims this season. Earlier this week a crew [illegible] the giant insurer was competing in the [illegible] N Industry Sailing challenge. Eagle Star is hot stuff on the water and until early Tuesday looked likely to win again. However, with just 10 miles to go, it bumped into a crew from Mars (confectioners not planet), and emerged with a sizeable hole in the yacht's port quarter. It's not clear how it will affect its N[illegible] Claims Bonus.

Craven A and B

■ John Craven, chairman of Morgan Grenfell and member of the board of Deutsche Bank, is used to playing in the big league. So the sight of his name as the contact for a small deal done yesterday by P&P, a computer software company, caused a few raised eyebrows.


'There's interactive TV with Jeremy Paxman'

Business [illegible] Morgan Grenfell must be pretty slack when the chairman gets involved in a deal for a company with a market capitalisation of £45m. However, it seems that there are now two John Cravens working for the same outfit. How long will [illegible] be before Craven junior gets the Deutsche bank board minutes?

Under fire

■ Hard luck, Tony. Young Blair is going to have to wait until the autumn before he gets his first go at outshining Britain's prime minister at the Commons despatch box.

The government has decided that MPs will start their modest 12-week summer break [illegible] lunchtime on July 21 – just hours after Blair's expected [illegible] as Labour leader. Normal service [illegible] the despatch box won't be resumed until October 18. That gives John Major plenty of time to work on his Blair-bashing technique.

However, the parliamentary timetablers have not been able to delay one long-overdue showdown. Next Thursday sees Health Secretary Virginia Bottomley being grilled by an all-party group on parenting. Peter Bottomley will lead the questioning. If anyone knows just how far he can go with Virginia, it should be her husband.

Rough landings?

■ As Jacques Delors' regime in Brussels draws to a close, loyalists of the European Commission president are scrambling for their survival kits. Known as "parachuting", the idea is to avoid being purged or moved sideways when Delors' successor arrives.

Insiders report that François Lamoureux, the philosopher-type who was a key player in the Maastricht treaty negotiations, has quietly moved to a senior management job at DG3, the Commission's industry directorate. Jean-Michel Baer, who headed the Commission's Paris office, has taken charge of the audio-visual section of DG10. Jean-François Pons, formerly working on monetary affairs, has been promoted to deputy director general of DG4.

Commission officials say Delors has not been as active as some [illegible] his predecessors in fixing up top jobs for his acolytes. Bruno DeThomas, his spokesman, remains uncertain about where his next move will be, though he says [illegible] is not interested in going back to his old journalism job at Le Monde. Other members of the Delors entourage are worried about reprisals when the next president of the Commission takes over and builds his own network.

They may have a point, assuming of course that EU leaders can make up their mind on a successor at next week's EU summit in Brussels.

Brought to account

■ Red faces all round. The publisher of Capital Account, the magazine of the London Society of Chartered Accountants, has gone into receivership. Its unpaid bills include money owed to the Society itself. Worse still one of Capital Account's directors is David Haigh, author of a book called *Marketing your practice* published by the Institute of Chartered Accountants in England and Wales.

It describes him as having extensive experience in marketing and communications – but not presumably in adding up.

FINANCIAL TIMES
Friday July 8 1994

Officials and businessmen hopeful of policy change

UK optimism grows for end to Malaysian ban

By Jimmy Burns

There appeared to be growing optimism in UK trade and banking circles last night that the Malaysian ban on government contracts with British companies would soon be lifted.

Mr Mohamad Mahathir, the Malaysian prime minister, said in Paris yesterday that the ban would continue for the foreseeable future but only selectively.

"Trade goes on as usual, but we will not give any more government contracts to British *firms," he said at the start of a* three-day visit to France.

However, a growing number of Malaysian officials and businessmen are talking to British companies behind the scenes on the expectation that the ban will be lifted soon. This is despite a *strong minority of nationalist* opinion in Kuala Lumpur against resuming any links with the UK.

"There is no longer the same degree of nervousness as there *was before", said one UK banker.*

The Malaysian cabinet is known to have agreed two weeks ago that the ban on government contracts with British companies could be lifted, but that the precise timing would be left to the prime minister.

Given the unpredictability of *Malaysian government decisions* in the past, some trade sources were cautioning against any firm bets. British officials appear to be marking time, drawing back from making any provocative statements that might endanger the prospect of a rapprochement.

At Britain's Department of Trade and Industry, officials had no immediate comment on Mr Mahathir's [illegible] They confirmed, however, the growing optimism about an improvement in relations.

Mr Richard Needham, trade minister, told the British Overseas Trade Board earlier this week that British business in Malaysia was "returning to normal". He said relations of UK *companies with the Malaysian* government were "very friendly".

In spite of the ban on government contracts, two British companies have announced Malaysian deals this week. Wilton Group yesterday unveiled a joint venture to build and operate a chain of multi-screen cinemas in *Malaysia*. On Wednesday, *Trinity* Holdings announced a deal to supply and build buses.

The continuing vulnerability of some British companies because of the partial ban was underlined last month when a planned joint venture between Rolls-Royce and *Malaysia's EPE Power Corporation* was suspended.

The ban on Malaysia government contracts with British firms was announced in February because of Mr Mahathir's anger over UK press reports alleging corruption.

Since then a succession of visits to Kuala Lumpur by UK officials and businessmen has aimed at repairing the damage.

Cinema joint venture, Page 19

Eight face trial in Zurich's restaurant bribe [illegible]

By [illegible] Rodger [illegible] Zürich

Switzerland's biggest-ever corruption scandal [illegible] closer to resolution as formal charges were *laid against eight people*, including a prominent magazine publisher.

The scandal centres on Mr Raphael Huber, the canton of Zürich's former restaurant and bar inspector, who is alleged to have taken some SFr2.4m *($1.84m) in bribes from permit* applicants during a 10-year period to 1991.

Mr Huber was charged on Wednesday night with 25 counts of receiving bribes and abuse of office.

Three well-known Zürich restaurateurs, Mr Rudolf Bindella, Mr Hugo Holenstein, and Mr Alfred Tschanz have been charged with bribing him.

Mr Beat Curti, publisher of the *respected weekly news magazine* Weltwoche, was also charged with bribing Mr Huber.

Mr Curti, who owns a supermarket chain, acknowledged having paid SFr110,000 to Mr Huber between 1986 and 1989 but insisted this involved legitimate payments for business advice.

Lawyers for Mr Curti said that he denied all the charges.

Mr Emil Frei, the prosecutor, said 30 other people were under investigation in the case. When the story of Mr Huber's alleged large-scale bribe-taking came to light in late 1991, it shocked a country where the honesty of *public officials has always been* taken for granted.

Until then, no one seemed concerned that the cantonal regulations gave the restaurant and bar *inspectors immense discretionary* power to decide whether permits should be issued.

Among other things, these regulations said that an applicant *had to prove to the inspector that* there was "a need" for the establishment.

According to Mr Frei, Mr Huber established a reign of fear in the Zürich restaurant and bar trade during the booming 1980s. Sometimes, it is alleged, he took payments in the form of loans and that on other occasions supplicants were encouraged to buy, at excessive prices, pictures painted by his deceased father.

Although he was earning only a modest salary, Mr Huber managed to maintain two flats in Zürich and to build up a 90-hectare estate in Chianti in Italy, complete with vineyard and an artificial lake.

If convicted, Mr Huber would face [illegible] of up to five years in prison.

The case is expected to come to trial early next year. Meanwhile, the cantonal government has introduced new regulations governing restaurant and bar licences. *Applicants no longer* have to prove a need for their establishments.

THE LEX COLUMN

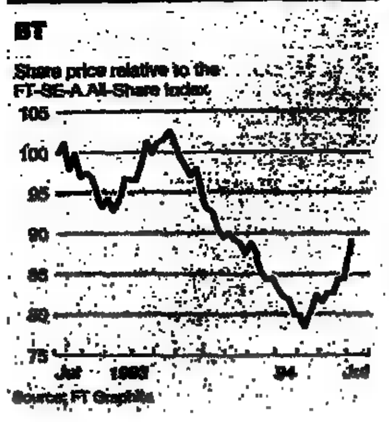
BT's Asian connection

BT's shares are back in favour. The 4 per cent rise over the past two days, building on a modest rally since May, has gone some way to reverse the terrible performance over the previous half year. The company has regained its position as the UK's most highly capitalised group.

Yesterday's accord with Nippon Information and Communication has little to do with the rally. This is not the big Asian deal Sir Iain Vallance, BT's chairman, has been working for *years to pull off. NI&C is a small* relatively unknown company and, anyway, the marketing accord is non-exclusive. The deal may, of course, foreshadow a closer relationship with Nippon Telegraph and Telephone, NI&C's half-owner. A far-reaching alliance with the Japanese giant would *help fulfil BT's international dreams.* But such a deal has yet to be clinched. Even if it is, investors will be sceptical about BT's international strategy so long as it depends heavily on paying "control" premiums for non-controlling stakes in foreign operators.

Still, the bounce in the share price looks right. *BT had been oversold.* Back in May, its yield was 50 per cent higher than the market's. That was only justified on the assumption that BT faced tough competition and no *growth. Competition it certainly faces.* But the UK telecoms market has potential to grow. BT's attempts to persuade people to use their phones more produced its first fruit in the quarter to end-March. Not surprisingly, the yield premium has shrunk to 30 per cent. A further modest reduction could be justified on the hope that there is more growth to come. But a substantial rerating would have to wait for hard evidence.

FT-SE Index: 2964.4 [illegible]



Schroders

Schroders has dropped so many hints of its intention to buy the rest of Wertheim that the actual deal scarcely *comes as a surprise. The price it is* paying looks reasonable, too, especially after last year's exceptional charge of $19m for the Ames department lawsuit is factored out of *Wertheim's* 1994 earnings. But there is [illegible] nagging question of what is to be gained by moving to full control when Schroders has already co-operated closely with Wertheim for eight years.

Schroders would [illegible] that the acquisition will make group strategic planning more coherent. There will be one organisation instead of two parallel ones. Full ownership of Wertheim will enhance its ability to distribute foreign issues in the US. It will create interesting prospects for corporate finance, for example advising US corporations on acquisitions in the far east. As a result Schroders may eventually succeed in moving Wertheim up *several notches in the ranks of US* investment banks.

Sceptics might see these as nebulous advantages for a total price, including assumption of debt, of over $150m. The *suspicion* is that Schroders has simply found the first convenient home for its surplus capital. But in that case it has at least bought something familiar, and Schroders' strategic track record suggests a more substantial motive. As it expands, Wertheim will need extra capital which Schroders is now in a position to provide. *If it can move* Wertheim into the major league, Schroders will have made a productive investment.

Media sector

The advertising recovery has come earlier and stronger than even the optimists expected. The Advertising Association now expects spending to grow by 13 per cent this year and 10 [illegible] cent next. The question for investors is how best to lock into the upswing. Advertising agencies are the obvious places to look because almost all their income is linked to spending by their clients. Yesterday's results and cut dividend from Gold Greenlees Trott are a [illegible] that the spoils will not be spread evenly.

There are similar arguments for [illegible] among media owners. National newspaper companies seem intent on reinvesting higher advertising revenue in lower cover prices, although it is doubtful whether they will make a decent return [illegible] this investment. Regional newspapers could be caught in the crossfire: it will be difficult to raise the cover prices of leading regional titles while national alternatives are cheaper. The better *opportunities may lie in radio* – which has been gaining market share – and magazine publishers.

Even though radio shares have raced ahead over the last year, not all the good news may yet be in the price. Recent takeovers – including [illegible] buying the new London radio [illegible] pany *even before it started* broadcasting – shows the appetite of industry insiders. Despite the [illegible] out of recession this year, [illegible] spend may not grow much faster than the wider economy in the 1990s. If that happens, the best investment opportunities will lie in sectors which are taking a larger slice of the cake.

Fnac

Crédit Lyonnais is grappling with *some gargantuan challenges. But the* bank still has time for the lesser things in life as its recent attempts to reclaim Mr Bernard Tapie's antique furniture show. The mooted sale of its 65 per cent holding in the books and records retailer, Fnac, could provide a more conventional means of raising some much-needed cash in a hurry. But the likely FFr2bn proceeds will not make much of a dent in its debt.

Fnac has had a chequered history of ownership which has hindered its progress. It has also suffered in recession from fierce competition from Virgin and the hypermarket chains. Fnac's trading history has been undistinguished; its net margin remains less than 2 per cent. But that [illegible] much to the costs of its uneven opening programme. The retailer certainly has its attractions as a seller of intellectual software in the dawning multimedia age. The application of committed management should enable Fnac to push volumes higher in [illegible] ing economy and widen margins, too.

Fnac could easily be embraced by the rapidly-expanding Pinault-Printemps-Redoute retailing empire. But it is not necessarily a done deal given [illegible] des Eaux has pre-emp[illegible] rights. Bertlesmann and [illegible] fisher have been rumoured to be interested and may be tempted to offer more. At a third of sales, the implied FFr3bn valuation for the whole of Fnac does not seem [illegible]

Yemeni civil war appears over as north takes Aden

By Mark Nicholson in Cairo

The North Yemeni forces of President Ali Abdullah Saleh appeared to have secured victory in the two-month-old Yemeni civil war *yesterday, after capturing* Aden, the last main southern redoubt, and apparently forcing top southern leaders to flee.

North Yemeni officials said *their forces had wrested control* of central Aden after several days' fierce fighting in suburbs north of the city.

The claim was backed by news *agency reports from Aden saying* northern troops had won control of the [illegible] and taken the city's central suburbs of Crater, Tawahi and Maalla. The dispatches said fighting in Aden had subsided, and reported a captured Aden television centre broadcasting scenes of northern troops in the city centre.

With the capture of Aden and most of south Yemen's strategic sites, Mr Saleh looks to have realised his apparent ambition to re-impose unity on the country by force, although western diplomats in the region said they believed pockets of guerrilla fighting and sabotage from residual southern forces may continue from south Yemen's hinterland.

In New York, Mr Haidar Abu Bakr al-Attas, prime minister of *the self-declared southern government*, called for the safe passage of "those who want to leave Aden" but denied this amounted to capitulation.

Mr Abdul Karim el-Eryani, planning minister in the Sanaa government, who was also in New York for talks at the United Nations, said he considered Mr *al-Attas' plea for safe passage signified* "the end of the war".

Northern officials in Sanaa called on southern "rebels" to stop fighting and take advantage of [illegible].

Aden's fall crowned a series of telling military blows against the secessionist south. In the past few days northern troops captured Mukallah, the south's second city, its airport and the south's sole commercial oilfield at Masilah.

Telephone lines into Aden were disrupted yesterday and there was no word from leaders in south Yemen, many of whom were believed to have fled the city and perhaps the country. The whereabouts of Mr Ali Salem al-Beidh, head of the southern government and former *vice-president of unified Yemen*, was unknown.

The four-year-old Yemeni unification had disintegrated into an increasingly bitter estrangement between Mr Saleh and Mr al-Beidh after Yemen's first multi-party elections in April last year. Outright civil war began a year later.

The south's repeated call for recognition from powerful Arab friends and neighbours went unrequited, though Saudi Arabia and Kuwait, in particular, were believed to be sympathetic to the south's cause and, according to western diplomats in the region, may have supplied Aden's leadership with arms.

The six Gulf Co-operation Council states, along with Egypt and Syria, on Wednesday condemned the fighting, reiterating calls for a ceasefire but falling short of according the south recognition.

Subsidy for German aerospace

Continued from Page 1

[illegible] the brutal competition, and the huge state support which the US [illegible] industry has received *for years, the support of* German aerospace research [illegible] more urgent than ever," he said.

The German industry has claimed repeatedly that the US unfairly subsidises its industry by the research and development budgets earmarked for defence *and space exploration.*

Mr Göhner said that, as far as large aircraft were concerned, the *important area of technological* development concerned the use of new materials such as carbon fibres. For motors, the emphasis would be on developing technologies to reduce *nitrogen oxide* pollution to about 15 per cent of current levels.

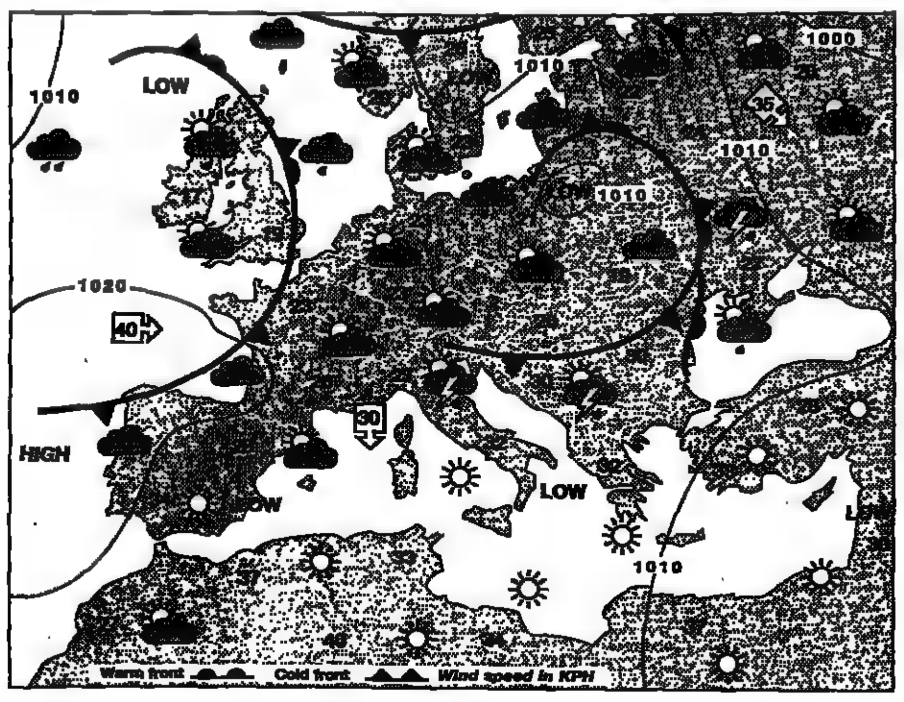
FT WEATHER GUIDE

Europe today

Much of western Europe will be changeable with average temperatures. Northern Germany, Poland and the northern Balkan states *will be cloudy with outbreaks of rain.* North-west Russia will have patchy cloud with showers. The Low Countries, the British Isles and northern France will have sunny spells and showers. Further to the south it will be more settled. Central Spain will have temperatures of up to 35C and *the heatwave in Italy and Greece will* continue with readings between 30C-35C. There will be thunderstorms in northern Italy and the Alps.

Five-day forecast

Southern Europe's heatwave will continue and western Europe will *become warmer.* It will be *more humid* in Germany and France early in the week. In contrast, a westerly air flow in northern Europe will cause temperatures to fall in central regions of Norway and Sweden and the Balkans and Turkey will become showery.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

	[illegible]		Beijing	rain	34	[illegible]	[illegible]	27
		Celsius	Belfast	rain	17	[illegible]	[illegible]	17
Abu Dhabi	fair	40	Belgrade	fair	30	[illegible]	fair	27
Accra	fair	29	Berlin	fair	[illegible]	Chicago	thund	31
Algiers	sun	35	Bermuda	fair	30	Cologne	fair	23
Amsterdam	fair	[illegible]	[illegible]	fair	20	Dakar	[illegible]	[illegible]
Athens	fair	32	[illegible]	[illegible]	[illegible]	Dallas	fair	[illegible]
Atlanta	sun	32	Brussels	cloudy	[illegible]	[illegible]	fair	37
B. [illegible]	fair	4	Budapest	[illegible]	27	[illegible]	fair	[illegible]
B.ham	[illegible]	18	[illegible]	fair	23	[illegible]	shower	17
Bangkok	[illegible]	35	Cairo	sun	[illegible]	Dubrovnik	fair	32
Barcelona	fair	26	Cape Town	fair	17	Edinburgh	rain	[illegible]

Faro	sun	28	Madrid	sun	33	Rangoon	cloudy	29
Frankfurt	fair	25	Majorca	sun	30	Reykjavik	fair	17
Geneva	sun	25	Malta	sun	31	Rio	cloudy	26
Gibraltar	sun	30	Manchester	shower	17	Rome	sun	30
Glasgow	rain	[illegible]	Manila	rain	29	S. Frsco	fair	23
Hamburg	shower	[illegible]	Melbourne	fair	20	Seoul	rain	29
Helsinki	sun	[illegible]	Mexico City	sun	36	Singapore	cloudy	34
Hong Kong	cloudy	[illegible]	Miami	fair	31	Stockholm	sun	27
Honolulu	fair	[illegible]	Milan	fair	28	Strasbourg	fair	25
Istanbul	sun	[illegible]	Montreal	thund	25	Sydney	sun	18
Jakarta	fair	[illegible]	Moscow	shower	20	Tangier	fair	27
Jersey	shower	[illegible]	Munich	fair	23	Tel Aviv	sun	33
Karachi	fair	[illegible]	Nairobi	sun	24	Tokyo	cloudy	29
Kuwait	sun	[illegible]	Naples	sun	30	Toronto	cloudy	30
L. Angeles	sun	[illegible]	Nassau	fair	31	Vancouver	shower	19
Las Palmas	sun	[illegible]	New York	thund	32	Venice	fair	29
Lima	cloudy	[illegible]	Nice	sun	27	Vienna	shower	28
Lisbon	sun	[illegible]	Nicosia	sun	34	Warsaw	thund	21
London	cloudy	[illegible]	Oslo	fair	27	Washington	fair	37
Lux.bourg	fair	[illegible]	Paris	cloudy	23	Wellington	fair	14
Lyon	sun	[illegible]	Perth	fair	17	Winnipeg	fair	22
Madeira	sun	[illegible]	Prague	fair	22	Zurich	fair	23

FINANCIAL TIMES
COMPANIES & MARKETS

Friday July 8 1994

IN BRIEF

Crédit Lyonnais buys Fnac stake

Crédit Lyonnais, the French state-owned bank, is set to sell a controlling stake in Fnac, France's leading books and music retailer which has a stock market capitalisation of about FFr3bn ($557m). Page 16

Bright sparks from Italy
It will take a while for Italian fund managers to achieve the same worldwide recognition as Italian soccer players or opera singers, but certain bright sparks in the fast-growing sector are at least trying. Page 16

Rémy Cointreau ahead and optimistic
Rémy Cointreau, the French wines and spirits group, announced a 24.5 per cent increase in net profits, to FFr252m ($46.8m). It also forecast a further improvement this year as European economies recover and as the US sees further expansion. Page 16

Bell Atlantic wins a first
Bell Atlantic, the Baby Bell telephone company, has become the first US telecommunications group to win regulatory approval to provide an interactive television service over its wires in competition with local cable television monopolies. Page 17

Eni on a roll
Eni, Italy's state-owned [illegible] and [illegible] holding company, could increase net profit this year to more than L1,000bn ($641m) if the recovery of the first five months is maintained. Page 17

Molson loses its lead
The collective wisdom of analysts and investors for several years was that Canadian brewer Molson was powering ahead, leaving its rival John Labatt drifting rather aimlessly. However, the balance of opinion has shifted in recent months. Page 17

Pension funds set to travel
European pension funds intend to reduce their reliance on domestic markets and increase investment overseas, according to a report. Page 18

Greene King hurt by recession
Greene King, the UK regional brewer, blamed the lingering recession in East Anglia for a flat performance during the 12 months to May 1 with underlying pre-tax profits rising just 1 per cent. Page 20

3i fully subscribed
The public offer for 3i, the UK venture capital group, has been fully subscribed. But the response to the £178m ($270m) share offer was subdued by comparison with the 385,000 individual registra[illegible] for its prospectus. Page 20

Everton shareholders have doubts
Shares in Everton, the English football club, could be bought yesterday at £2,750 each – well short of the £4,000-a-share rights issue which the club will launch at a special general meeting on July 26. "Anyone who takes up their rights at £4,000 when they can buy on the open market at £2,750 will be absolutely bonkers," said one shareholder. Page 20

Companies in this issue

Chief [illegible] changes yesterday

FRANKFURT (DM)				PARIS (FFr)			
Rises				Rises			
BHF Bank	385.5	+	8.5	Cred Lyon	[illegible]	+	[illegible]
GEHE	575	+	25	Ecco	[illegible]	+	[illegible]
Springer Axel	650	+	10	Immobanque	730	+	29
Falls				Legrand	6120	+	[illegible]
DLW	448	–	11	Unibail	487	+	
Douglas	500	–	10	Falls			
Mannheim Vers	765	–	[illegible]	[illegible]	440	–	[illegible]
NEW YORK ($)				TOKYO (Yen)			
Rises				Rises			
Gen Elec	47½	+	¾	Fuji [illegible]	885	+	49
Wal-Mart	24⅛	+	⅝	[illegible]	1800	+	130
Falls				Falls			
Best Buy	25½	–	[illegible]	Canon Elec	[illegible]	–	[illegible]
CBS	308¼	–	[illegible]	Harima	[illegible]	–	21
Future Now	6	–	[illegible]	Hitachi Tool	[illegible]	–	[illegible]
Snapple Bev	18⅝	–	1¼	[illegible]	[illegible]	–	50

New York prices at 12.30.

LONDON (Pence)							
Rises				Mirror Group	136	+	7
Amesco	13	+	[illegible]	Northumber	75	+	6
BPB Inds	319	+	[illegible]	RMC	901	+	33
Balgrehill	301	+	12	Senior Eng	130½	+	[illegible]
Barratt Dev	209	+	7	Sheffield Insh	[illegible]	+	8
Carlton Comm	828	+	21	Falls			
Chubb	308	+	14	Beapak	[illegible]	–	[illegible]
Cowie	270	+	13	Brit Bloodstock	82	–	13
[illegible] (James)	143	+	9	[illegible]	176	–	11
Elliss	380	+	50	Learmonth Burch	[illegible]	–	40
Hawick Whiting	139	+	11	P & P	[illegible]	–	4
Hillsdown	165½	+	6½	[illegible]	[illegible]	–	[illegible]
Lex Service	438	+	13				
Lucas Inds	182	+	8				

■ Metallgesellschaft changes board ■ Ulrich Wöhr joins as finance director

Neukirchen sets seal on his power

By Michael Lindemann in Bonn

Mr Kajo Neukirchen, chief [illegible] of Metallgesellschaft, yesterday announced a boardroom change which seals his [illegible] at the troubled Frankfurt-based [illegible] and trading group [illegible] it almost collapsed.

Mr Neukirchen, who was drafted in last December to relaunch the group, said the management board would be scaled down to five people from seven.

A new holding company, which [illegible] the group's [illegible]sions, [illegible] management board was now superfluous, the company said.

Mr Ulrich Wöhr, the [illegible] of the car parts supplier VDO Adolf Schindling, will join the board as finance director on August 1, while Mr Hans-Ulrich Plaul, the chief executive of Buderus, [illegible] recently a [illegible]gesellschaft engineering subsidiary, will step down. Mr Neukirchen will take over the personnel division on top of existing duties.

Metallgesellschaft almost collapsed [illegible] when it [illegible] ($1.4bn) through trading in oil [illegible].

The boardroom changeover comes days after a new [illegible] the reins at MG Corp, the US subsidiary which is still tied up in loss-making oil contracts with [illegible] Energy, a refinery 40 per cent owned by MG Corp.

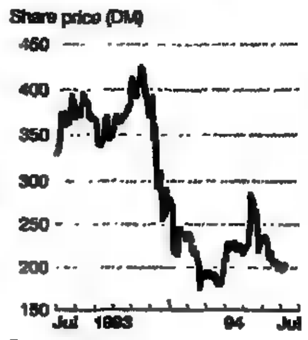
The New York-based [illegible], which Mr [illegible] recently [illegible] as a "machine [illegible] money," has been trimmed since the beginning of the year and will focus on delivering oil, petrol and other products to US customers.

Mr Karl von der Heyden, the outgoing chief executive, said the company's debt would be halved by the end of September.

[illegible] in March totalled [illegible] The group last month announced it would sell its prestigious Frankfurt headquarters which it [illegible] could raise DM750m. However, the group will [illegible] the proceeds [illegible] is jointly [illegible] by Dresdner Bank.

Mr Heinrich Götz, 63, left the supervisory board two years ago but was [illegible] last [illegible] to [illegible] the personnel division and [illegible] Mr [illegible] deputy during the group's [illegible]haul.

Metallgesellschaft



Source: Datastream

Move to create Canadian gold leader

By Bernard Simon in Toronto

Royal Oak Mines, the Vancouver-based gold producer formed in 1991 from five penny stocks, has made a US$1.4bn hostile bid for Lac Minerals, one of [illegible] oldest mining groups. The combined company would produce more than 1.3m ounces of gold this year, making it the biggest gold producer in Canada.

Royal Oak, which has gained a reputation for hard-nosed management, is expected to rely on the generous terms of its offer and Lac's lacklustre performance to win over Lac shareholders.

Royal Oak said one of its financial [illegible] Lac's [illegible] management of the bid shortly before it was announced yesterday morning. The meeting [illegible] as "brief". Lac said later that it would [illegible] the bid in its shareholders' best interests.

Royal Oak, which has built up a 2.5 per cent stake in Lac, has offered C$3.75 in cash and 1.75 of its shares for each [illegible] Lac [illegible]. Alternatively, Lac shareholders can opt for 2.416 Royal Oak shares for each Lac [illegible]. Based on Wednesday's closing share prices, the offer represents a 20 per cent premium over Lac's market price.

The offer is conditional, among other things, on the gold price remaining above $360. It is currently around $383 an ounce.

Lac produced 1.1m ounces of gold last year as well as copper and zinc from mines in Canada, the US and Chile. By contrast, Royal Oak's output was 276,000 ounces of gold from four mines in Canada. But Royal Oak posted a C$15.1m (US$10.8m) profit, compared with Lac's US$63.5m loss.

Royal Oak's chief executive Ms Peggy Witte is one of the few women to head a large mining company. She has gained a reputation as a pugnacious manager and a ferocious cost-cutter. Ms Witte said yesterday that Royal Oak had identified savings that could cut Lac's annual operating costs by more than $40m in 1995 and nearly $50m in 1996.

"Our offer allows Lac shareholders to participate in the significant growth and increased [illegible]ency we plan for the com[illegible] companies," she said.

[illegible] US$400m cash portion of the [illegible] will be financed by three US [illegible] banks.

Chairman of UK merchant bank sees further US investment after $92m purchase, write **Norma Cohen and Patrick Harverson**

Schroders builds up its position on Wall Street

[illegible] yesterday [illegible] a deal giving it one of the largest presences on Wall Street of a UK merchant bank. The $92m purchase for the half of [illegible] it does not already control would allow Schroders to make further investment in a US arm, according to Mr George Mallinckrodt, Schroders chairman.

Schroders already has a presence in the US through its asset management arm, which was the largest non-US manager of international investments as of March 31, 1994, according to the trade publication Pensions and Investments. Of the £6.5bn ($9.9bn) in [illegible] new [illegible] it attracted last [illegible], nearly £4bn was from accounts outside the UK, with much coming from the US. The increasing interest among US investors for non-US securities was a key factor in Wertheim's decision to sell full control of the firm to Schroders, Mr Mallinckrodt said. "Two or three years ago, this was not really a factor. That's what persuaded them to sell now," he explained. "In the future we can target ourselves to introduce more foreign securities into the US."

To this end, Mr Mallinckrodt said, Schroders hoped to expand Wertheim's securities distribu[illegible] capabilities in the US, as well as its corporate base.

The acquisition of total control of Wertheim allows Schroders to draw the firm into areas its management might have been reluc[illegible] to participate in, such as expansion of its derivatives activ[illegible].

Mr [illegible] said that [illegible] might seek to raise Wertheim's capital base to $250m from $177m in the next five years or so.

Schroders has owned 42.5 per cent of Wertheim's equity since 1986, a stake which carries 50 per cent of the voting rights. Yesterday's deal will pay $58m for the shares held by Wertheim's man[illegible] and a [illegible] the [illegible] non-voting interest held by institutional shareholders.

[illegible] acquisition price, which includes the assumption of some [illegible] in [illegible] securities, values the company at about $310m. Wertheim had net tangible assets of $179m at May 31, 1994, and for the [illegible] December 31, 1993, pre-tax profits after exceptional items of $35m.

Wertheim [illegible] year paid roughly $20m to cover compensation and legal fees to Ames, the US department store chain, over advice Ames received when it made the $1.2bn purchase of the discount store division of Zayre in [illegible].

According to Securities Data in New York, Wertheim ranks 15th among worldwide M&A advisers so far this year, having [illegible] on completed transactions [illegible] at [illegible]. In 1993 the firm ranked 10th, advising on $16.8bn [illegible] deals. However, in league tables showing number of M&A deals [illegible], Wertheim stands higher – 12th in the year-to-date, and 4th in 1993 – an indication that its corporate clients are smaller in size than those advised by Wall [illegible] biggest banks [illegible] Merrill Lynch and Morgan Stanley.

Mr James Harmon, Wertheim's chief executive, said it was wrong to label the firm as serving the medium-sized corporate market, as it had particular strengths in some sectors such as the chemicals industry.

The buy-out of Wertheim comes a time [illegible] firms have been actively developing US operations, with mixed success. Lazard has long had a presence in US investment banking via Lazard Freres, while SG Warburg and NatWest Securities have begun to establish themselves in various corners of the domestic [illegible] markets. In contrast, Barclays de Zoete Wedd has been [illegible] in its attempt to build a US stock brokerage business, while the [illegible] partial merger between Baring Brothers and Dillon Read has yet to pay significant dividends.

Mr Philip Gibbs, merchant banking analyst at BZW, said the deal offers benefits for Schroders, even though, at 1.7 [illegible] worth, it had paid a [illegible]ium over the going rate for US merchant [illegible]. "The fact that they have worked together as partners for eight years augers well."

If there is a disadvantage, it may be that the [illegible] management of Wertheim no longer has the incentive of sharing the profits as owners.

Wall [illegible] top [illegible] receive compensation packages in the millions of dollars, whereas London [illegible] much lower. Mr Harmon said: "We are well aware of this matter. Clearly, you have to pay competitively, and we will continue to pay competitively." A Schroders banker in London said: "It is acknowledged that the pay differentials are there. The reality is that New York pays more, and you have to pay [illegible] market rates."

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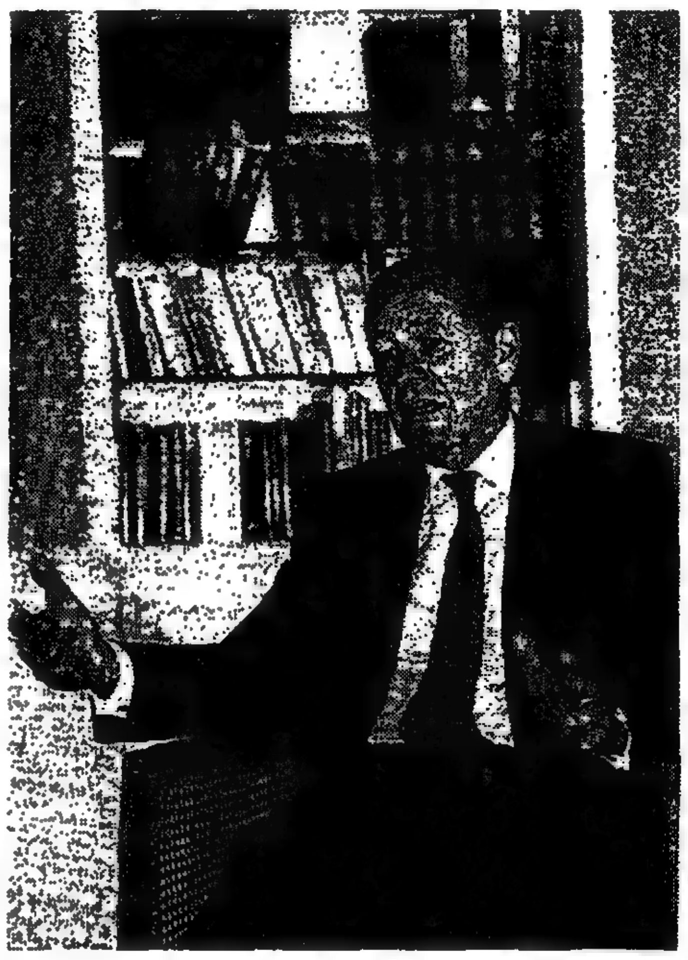

Fergus Wilde

Mallinckrodt: sees increasing interest in US for non-US securities

BT's move into Asia-Pacific boosted by deal with NTT

By Andrew Adonis

A joint venture of Nippon Telegraph and Telephone, the largest Japanese telecommunications operator, has agreed to distribute international services for British Telecommunications and MCI, the second-largest US long-distance carrier.

BT hailed the deal as an [illegible] for Concert, the $1bn (£600m) joint venture with MCI launched last month, which is geared to providing multination[illegible] with a one-stop service – global telecom networks from a single supplier.

However, regulatory barriers will restrict the range of services Concert can offer in Japan, and the arrangement with Nippon Information and Communication, a small joint venture [illegible] NTT and IBM Japan, is far short of the tie-up with NTT which analysts were seeking to give BT credibility in Asia-Pacific.

"It is not the deal with NTT that people were looking for, [illegible] it appears moderately encouraging for BT," said Mr Laurence Heyworth, [illegible] analyst at Robert Fleming.

The arrangement is non-exclusive, and [illegible] no equity exchange or joint [illegible]. NTT indicated that it did not pre[illegible] agreements with [illegible] rivals. "We are not [illegible] ourselves with BT against AT&T or the French and Germans," [illegible] one NTT executive.

Concert also announced what it claimed was the first one-stop international corporate telephone service for multinationals, giving it an edge over the other two international [illegible] formed in the last year – led by AT&T and by Deutsche Telekom, the German state operator.

Mr Alfred Mockett, BT's inter[illegible] director, said the deal reinforced BT's head start on its international competitors, claiming that Concert was six months ahead of its two rival alliances in [illegible] of technology and 12 [illegible] ahead in [illegible] of marketing and regulatory approvals.

The Japanese deal marks Concert's first notable entry into the [illegible] market, which is [illegible] to [illegible] ability to sell itself as a one-stop provider to multinationals. About 20 per cent of the 2,000 multinationals targetted by Concert have facilities in Japan.

AT&T's Worldsource venture, launched at the same time as Concert, has partnerships with KDD, Japan's international operator, Singapore Telecom and Telstra, the Australian [illegible] operator.

The third of the alliances – [illegible] Deutsche Telekom, [illegible] and Sprint, the third-largest US long-distance operator – has no formal links with Asian operators.

Concert said its one-stop international "voice" service would be available immediately in Australia and the larger EU states, and in the US and Canada later this year. It will be followed this year by a Concert calling card.

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Daimler considers US-style dividends

By David Waller in Frankfurt

Daimler-Benz is considering changing its dividend policy to [illegible] into line with what the group's finance director described as "Anglo-American" practice.

Speaking as Daimler announced the successful completion of its DM3bn ($1.8bn) rights issue, Mr Gerhard Liener said that in the long-term Daimler was considering making [illegible] that the dividend was more closely related to the group's earnings.

German companies are reluctant to vary dividends in line with earnings, although Daimler did cut its dividend last year, from DM13 to DM8, reflecting the group's fall into a loss of DM1.8bn under US accounting standards.

Mr Liener [illegible] the rights [illegible] the first from a German company to incorporate a "global offering" to international investors, as a great suc[illegible], although he [illegible] that Daimler had not managed to increase the percentage of shares owned by US investors to 10 per cent as planned.

[illegible] from US [illegible] was very high, Mr Liener said and 53 per cent of all new shares not taken up by existing [illegible]holders were placed in North America, raising approximately DM200m. This took the US shareholding to more than 8 per cent, from about [illegible] to 7 per cent [illegible] the issue.

The rights [illegible] followed Daimler's [illegible] last [illegible] to become the first German company to obtain a full listing for its shares on the New York Stock Exchange.

The move had proved fully jus[illegible], Mr Liener said. Daimler remains the only German company to have a full listing in the US and [illegible] direct access to the world's largest capital market.

The rights issue was launched in late June just ahead of a severe downturn in the German stock market. The shares were offered at DM640, a 20 per cent discount to the then share price. Had the issue been priced more tightly, it might have been forced to follow Mediobanca, the Italian merchant bank, and cancel, Mr Liener said.

He said that Daimler's turn[illegible] was likely to exceed DM100bn this [illegible] representing a [illegible] in turnover growth from the 19 per cent advance in the first quarter of 1994.

Pinault set to buy Crédit Lyonnais' stake in Fnac

By John Ridding

Crédit Lyonnais, the French state-owned bank, is set to sell a controlling stake in Fnac, France's leading books and [illegible] retailer which has [illegible] stock market capitalisation of about FFr3bn ($557m).

The buyer is expected to be Mr François Pinault, who controls Pinault-Printemps-Redoute, the distribution and retailing group. Crédit Lyonnais confirmed that Artemis, the holding company, through which the Pinault family controls Pinault-Printemps-Redoute, [illegible] involved [illegible] negotiations and said that an announcement should be made shortly.

The sale of Fnac represents part of the [illegible] strategy at Crédit Lyonnais, which [illegible]fered net losses of FFr6.9bn last year.

Mr Jean Peyrelevade, chairman, has said he is seeking to dispose [illegible] about FFr20bn worth of assets over the next two years in an attempt to consolidate the bank's activities and raise capital. The sale [illegible] the 64.6 per cent stake in Fnac, which is held through its Altus Finance subsidiary, could raise up to FFr1.9bn, according to industry analysts.

Crédit Lyonnais's decision to sell control of Fnac is also the latest step in the turbulent history of the books and music chain, which was founded in 1954 and has grown into one of France's largest retail groups with annual sales of just under FFr9bn and about 50 stores.

Last year, GMF, the troubled insurance group, sold control of Fnac to a consortium comprising subsidiaries of Crédit Lyonnais and Compagnie Générale des Eaux, the communications, utilities and construction group. At the time, Mr Pinault and several of Europe's largest retail groups – including Kingfisher of the UK, Bertelsmann of Germany, and Havas of France – expressed an interest in acquiring Fnac.

The disposal planned by Crédit Lyonnais is complicated by pre-emption rights held by Générale des Eaux, which holds 34 per cent of the shares in Fnac through its subsidiary, Compagnie Immobilière du Phénix.

Générale des Eaux has one month to decide whether to seek to acquire Fnac itself, keep its shares or sell to the successful bidder. The sale of Fnac may also be referred to the French privatisation commission.

Mr Pinault, who has long sought to acquire Fnac, has this year been engaged in controversy surrounding an offer to buy out minority shareholders in La Redoute, the group mail order subsidiary. Some minority shareholders rejected the terms of the offer, which was finally approved in May.

The attraction of Fnac has increased following its return to profits growth in the first half of 1993-94. In the six months ended February, it recorded net profits of FFr60.6m, compared with FFr50.5m [illegible]

Rémy shrugs off weakness in principal markets

By John Ridding in Paris

Rémy Cointreau, the French wines and spirits group, yesterday announced a 24.5 per cent increase in net profits, to FFr252m ($46.8m), for the year ended March.

It also forecast a further improvement this year as European economies recover and as the US sees further expansion.

The company, which owns the Rémy Martin cognac brand and Krug and Piper Heidseck champagnes, said the rise in profits was achieved on sales of FFr6.38bn, an increase [illegible] per cent over 1992. Sales have continued to expand this year, growing by about 10 per cent in the three months to [illegible] end of June.

The group said last year's results were achieved in spite of weak demand in some of its principal markets. In particular, continental Europe and Japan suffered from the effects of recession.

In spite of these constraints, sales of Rémy Martin cognac grew by 13 per cent in value terms, to FFr2.82bn, consolidating its position as the world's biggest-selling quality cognac with about one-third of the international market.

Sales generated by liqueurs, wines and spirits rose 5 per cent to FFr1.74bn, while the champagne division rose just 2 per cent to FFr668bn. The small increase in champagne sales was blamed on the continued strength of competition in the market, and on pricing pressures.

The company's sales under licence rose 13 per cent, with Highland Distilleries whisky brands up 57 per cent. There was a strong rise in sales of The Macallan whisky brand in the US.

Rémy Cointreau said it took a financial charge of FFr595m last year – compared with one of FFr577m in 1992-93 – mainly reflecting payment to Grand Metropolitan of the UK for the buy-back of 20 per cent of Rémy shares.

It said it would pay a dividend of FFr4.60 per share, an increase of 4 per cent.

Quiet investors find their voice

Ciga's fund shareholders are flexing their muscle, writes Andrew Hill

It will take a while for Italian fund managers to achieve the same worldwide recognition as Italian soccer players or opera singers, but certain bright sparks in the fast-growing sector are at least trying.

At Wednesday's meeting of shareholders in Ciga, the Italian luxury hotels group, a group of fund managers indicated for the first time how they might begin to take back some of the power accumulated by what one observer described as "Italy's coterie of delinquent entrepreneurs".

If it was a revolution, then it was a quiet one. Ciga's dominant shareholder – Sheraton International, the hotels subsidiary [illegible] ITT of [illegible] US – started by demonstrating that with its 17.4 per cent stake, it was likely to take effective control [illegible] Italian group. A board meeting next Tuesday is expected to endorse a reshuffle of directors, bringing ITT representatives on to the board.

So far, so Italian. In most UK or US companies, "control" would only change hands if a stake of more than 50 per cent was accumulated. In Italy, it is possible to gain control [illegible] much lower levels.

At the Ciga meeting, however, a number of fund managers, together holding some 15 per cent of the shares, indicated their disapproval of Ciga's old directors, under whose aegis the group slipped heavily into debt when it was controlled by the Aga Khan's Fimpar holding company. The same funds gave their backing to Sheraton, but abstained from a final vote on the 1993 balance sheet, showing they intended to keep a close eye on future management of the group.

Mr Gherardo Spinola, of Akros, a financial services group which holds 4.3 per cent of Ciga, said after the meeting the fund managers would act as guarantees of transparency – a concept much abused by Italy's public companies – and in the interests of fund-holders.

"It isn't our objective to manage these companies, but we will be extremely diligent," added Mr Vittorio Cazzulani of Fondigest, the fund management arm of the Milan savings bank, Cariplo, owner of a 3.8 per cent stake.

In the past, Italian funds have maintained a very low profile. This is partly because most are owned by larger groups, some of which may have had an interest in preventing their fund managers interfering with the parent company's direct investment or credit interests.

However, the funds' potential influence has been increasing, as ordinary [illegible] have begun to put their savings into equities. In 1993, for example, equities managed by Fondigest funds increased to L6,536bn ($4.2bn) from L1,953bn; the Fiat-controlled Prime mutual funds, also Ciga shareholders, increased assets under management by 36 per cent to L6,929bn, while the value of the seven Akros funds rose from L1,874bn to L3,297bn.

Ciga is still an exceptional case. The environment is, however, gradually changing. Privatisation provides one opening. Most objective analysts agree that the real problem is the lack of development in the Italian pension and mutual fund industry, representing ordinary investors.

The funds are not absent – some 30 per cent of the shares made available to Italian institutions in last week's L5,000bn privatisation of Ina, the state-owned insurer, went to pension funds, investment funds and insurance companies – but they have not yet thrown their weight around.

In that sense, the Ciga assembly could represent a first tentative flexing of Italian fund managers' muscle.

Ciga: principal shareholders

	Stake (%)
Sheraton International	17.43
Bankers Trust International	6.65
Azimut (Akros funds)	4.32
Fondigest (Cariplo funds)	3.82
Arca funds	2.72

Source: Ciga

Eurotunnel reveals 86.9% of rights issue taken up

By Simon Davies and Charles Batchelor in London

Underwriters to Eurotunnel's [illegible] rights [illegible] received [illegible] confirmation yesterday that they got off lightly in spite of the dire stock market conditions and city cynicism that hampered [illegible] price in the offer period.

The [illegible] announced [illegible] 93.4 [illegible] of [illegible] primarily French-owned bearer rights shares were taken [illegible] by investors, leaving the underwriters with around £42m out [illegible] new bearer [illegible].

Only two-thirds [illegible] UK portion [illegible] taken up. However, the excess, or rump, was successfully placed out to institutions, relieving the underwriters [illegible] their obligations. Investors took up 86.9 per cent of the combined total.

The higher take-up of the French portion reflected the different underwriting system, whereby investors [illegible] only benefit from [illegible] rights by [illegible] selling or converting them.

The 1990 issue had received more than 98 per cent of acceptances, and some brokers suggested the [illegible] was slightly disappointing.

However, [illegible] underwriting syndicate, led by Banque Indosuez and Swiss Bank Corporation, is definitely off the hook.

The share price closed FFr0.25 higher at FFr24 in Paris, comfortably [illegible] rights price, and underwriters should [illegible] to secure buyers for the excess.

In addition, underwriters have received more than £18m in commissions, excluding the substantial advisory [illegible] administration fees, [illegible] they [illegible] well rewarded [illegible] their efforts.

With the financing finally over, attention is returning to Eurotunnel's attempts to get all its freight and passenger services up and running.

The British, French and Belgian railways announced last month that they did not expect to start Eurostar services – the passenger-only trains which will run between London, Paris and Brussels – before September at the earliest.

Eurotunnel, which is claiming up to £1bn ($1.5bn) in compensation from the railways for their failure to provide adequate links to the tunnel, said it may seek compensation for any additional loss of revenues.

The company still hopes to obtain its operating licence for an invitation-only car shuttle service by the end of July.

A paying service should commence in October, when investors can start evaluating the revenue projections put forward by the company, and get a sense of the shares' worth.

UAP chief confirms UK plans

By John Ridding

Mr Jacques Friedmann, chairman of Union des Assurances de Paris, France's largest insurance group, yesterday confirmed his interest in acquiring a UK non-life insurance operation. He said he hoped to reach a decision by the end of the year.

"We are looking, but we are only interested in buying a good company which doesn't need restructuring," said Mr Friedmann. He said the investment would not be on the scale of UAP's previous European acquisitions, and ruled out a hostile bid for a UK company.

Over the past 10 years, UAP has undergone substantial expansion in Europe, bringing Royal Belge, Sun Life of the UK and Colonia of Germany under its control. The UK non-life sector is now "the only hole in our network", according to Mr Friedmann.

He expressed concern about the possible impact of depressed French and international share and bond markets on this year's earnings. However, he stuck to his forecast of a significant increase in net profits, compared with the FFr1.42bn ($263.9m) posted in 1993.

The UAP chairman said the group was well-placed to benefit from the introduction of the single European insurance market: it is already offering two new products – Pan Euro Life and Pan Euro Risk – across Europe.

In the French market, Mr Friedmann said the introduction of a system of private pension funds would create an important, if competitive, new market.

Riyadh bank posts 21.5% improvement

By Mark Nicholson in Cairo

United Saudi Commercial Bank, the Riyadh-based commercial bank controlled by Prince al-Waleed Bin Talal, who recently came to the financial rescue of Euro Disney, has reported a 21.5 per cent rise in first-half income for 1994, to SR157.7m ($42m).

The bank's unaudited figures show an 11.5 per cent rise in assets over the period, to [illegible] at June [illegible] 1994. [illegible] 17 [illegible] cent, [illegible] the [illegible] total securities portfolio up by 33 per cent on the same period last year. Placements with other banks, meanwhile, fell by 24 per cent to SR2.08bn.

[illegible] from ancillary [illegible] rose a nominal SR1.5m. Non-interest operating costs rose almost 10 per cent. USCB ascribed [illegible] to [illegible] launch of products such as MasterCard cards.

AlliedSignal, Sogefi in joint venture

By Andrew Hill in Milan

AlliedSignal, [illegible] US high-technology [illegible] and Sogefi, the Italian automotive components manufacturer, are linking in a car [illegible] venture [illegible] distribute spare parts in Europe, Russia, Africa and the Middle East.

AlliedSignal will hold a 65 per cent stake, and Sogefi will own the remaining 35 per cent. The venture will be registered in the Netherlands, and will trade as Allied Signal Aftermarket Europe.

The groups said yesterday the venture would distribute brake and friction components and spark plugs on behalf of AlliedSignal subsidiaries, and silencers and filters for Fiaam Filter, a company already jointly-owned by Sogefi and Allied Signal.

Eni's net profits this year may exceed L1,000bn

By Andrew Hill in Milan

Eni, Italy's state-owned energy and chemicals holding company, could increase net profit this [illegible] more than L1,000bn ($641m) if the recovery of the first five months is maintained.

Sources at Eni yesterday confirmed reports [illegible] Mr Franco Bernabè, the group's chief executive, would present managers with an upbeat forecast for this year, when they meet later this month.

Last month Eni reported it had returned to profit of L419bn in 1993, compared with a loss of L815bn in the previous year.

Eni is underlining the improvement in its prospects partly because its oil and gas interests – Agip and Snam – are likely to be sold off by the state within the next 12 months.

The improvement in the 1994 results will be built on the recovery at the loss-making Enichem chemicals subsidiary, which announced last month that it expected [illegible] halve [illegible] L2,668bn loss recorded in 1993.

The forecast also provides a timely riposte to reported criticism by Italy's vice-premier, Mr Giuseppe Tatarella of the neo-fascist National Alliance.

On Wednesday, Mr Tatarella called for the resignation of Mr Bernabè and attacked "the level of mediocrity" at the company.

Eni managers yesterday hit back angrily at the declarations, and warned the government against trying to interfere with the final stages of Eni's difficult restructuring.

"We are convinced that the future of a group of this importance ought to be built on co-operation with the government and on the basis of programmes shared with the management," the managers said in a statement.

"But we are also absolutely certain that better results can be obtained by leaving each [to carry out] his own responsibilities, and evaluating managers, as happens in all modern economies, on the basis of results obtained according to objectives established by the shareholder, whoever it might be," they added.

Bell Atlantic cleared to compete with cable TV

By Martin Dickson in New York

Bell Atlantic, the [illegible] Bell telephone company, [illegible] the first US telecommunications group to win regulatory approval to provide an interactive television service over its wires in competition with local cable television monopolies.

The Federal [illegible] tions Commission, which regulates both industries, approved an application by Bell Atlantic to provide the so-called "video [illegible]" [illegible] in [illegible] in a [illegible] Jersey township.

[illegible] is a significant precedent, [illegible] many [illegible] telephone companies [illegible] similar applications pending [illegible] FCC, [illegible] now [illegible] likely to be approved.

Mr [illegible] Hundt, [illegible] FCC chairman, [illegible] "The [illegible] phone companies are knocking on the cable door and we want to let them in."

However, while the FCC action allows Bell Atlantic to transmit television programming, telephone companies are still forbidden in general from owning the content of those programmes or packaging them.

Bell Atlantic has therefore teamed up with an independent programmer called FutureVision of America, which will provide the television service in New Jersey. It [illegible] undercut significantly [illegible] prices [illegible] by [illegible] cable companies.

Bell Atlantic said that in [illegible] to traditional video entertainment products, such as movies-on-demand, its New Jersey service would potentially allow hundreds of information providers [illegible] use the network as a platform for their products and services.

These providers could include schools, newspapers and hospitals.

However, the National Cable Television Association said that it intended to fight the FCC's decision in court.

Labatt's sizzle leaves Molson a little flat

The balance of power between Canada's two brewers is shifting, writes Bernard Simon

The two [illegible] which dominate Canada's beer market regularly poll institutional investors and financial analysts to find out their views on the companies' performance.

The collective wisdom for several years was that Molson Breweries was powering ahead, leaving John Labatt drifting rather [illegible].

However, [illegible] of opinion [illegible] shifted in recent [illegible] earnings [illegible] dragged [illegible] by the troubled US division of Diversey, its cleaning-services subsidiary.

Labatt, on the other hand, has gained favour with a flurry of initiatives which began about two years ago. These range from greater financial disclosure and aggressive cost-cutting, to a rising share of the domestic beer market and a sharper focus on brewing and broadcasting, which have emerged as its two core businesses.

Ms Irene Nattel, analyst at Barclays de Zoete Wedd Canada, echoes the views of several analysts with her impression that Labatt has more sizzle than Molson.

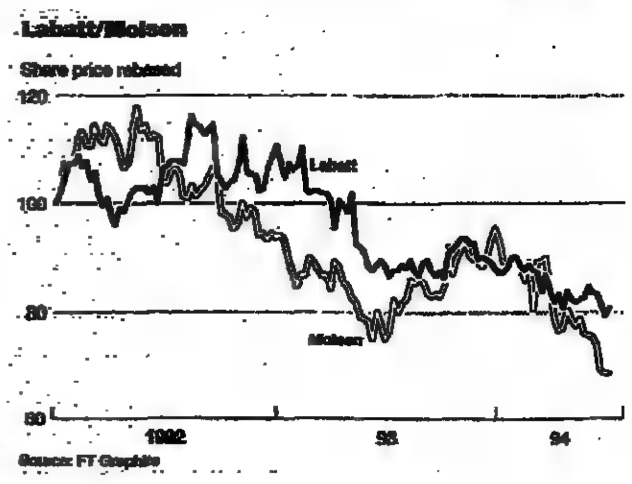
The difference was apparent in Labatt's announcement on Wednesday that it was joining Femsa, Mexico's biggest beverage group, in a North American beer alliance. Labatt unveiled its plans just 90 minutes before Molson's annual meeting. In contrast to Labatt's upbeat message, Mr Mickey Cohen, [illegible] executive, told shareholders he could not quarrel with their "somewhat hesitant" view about Molson's prospects.

Labatt will pay US$510m for a 22 per cent stake of Femsa's brewing subsidiary, with an option to buy a further 8 per cent over the next three years. The partnership will include the creation of a jointly-owned company to distribute premium, high-margin beers in the US.

Labatt has [illegible] interests outside Canada, [illegible] beer consumption [illegible] falling. It has bought [illegible] 600 pubs in the UK and owns Birra Moretti, which has a 9 per cent share of the Italian beer market. Latrobe, a US subsidiary, brews Rolling Rock, whose sales volumes climbed by an impressive 15 per cent in 1992 and 9 per cent last year.

The Canadian company is signing up foreign markets for its pioneering and popular Labatt Ice beer, which is passed over ice crystals as part of the brewing process. Labatt Ice's most recent markets include Japan and Denmark, and it is being launched in the UK by Carlsberg, the Danish brewer.

However, [illegible] will take time to digest. Labatt has also halted UK pub acquisitions [illegible] the fast-changing UK beer market. But it has not stopped searching for international alliances and acquisitions.



"What we're trying to do is to find opportunities outside Canada which give us an opportunity to leverage our know-how in the industry and our marketing know-how," says Mr George Taylor, Labatt chief executive.

S[illegible] analysts link Labatt's new vigour partly to its emergence early last year as a widely-held company following the disposal of a controlling block held by the Toronto branch of the Bronfman family.

"Before, it was basically run by Brascan [a holding company of the Toronto Bronfman family], presumably for Brascan," says Mr Michael Palmer, analyst at Equity Research in Toronto. "Now, these [illegible] are flexing their muscles."

Mr Taylor [illegible] "we had [illegible] wanted [illegible] Brascan disposition". In [illegible] the divestiture, Labatt [illegible] processing businesses, and laid the groundwork for spinning off [illegible] US [illegible] dairy [illegible].

The latest move, announced [illegible] month, is a plan to offer [illegible] public [illegible] large slice of its sports and entertainment businesses. These include a 90 per cent stake in the Toronto Blue Jays baseball team (which has won the World Series championship for the past two years in a row, but is faring miserably this season), and BCL Entertainment, a leading live-event promoter whose clients [illegible] Rolling [illegible] Pink Floyd.

The [illegible] broadcast interests, which [illegible] identified as an area [illegible] high potential growth, consist mainly [illegible] TV channels, including one which is all-sports.

However, the company's future will be determined largely by [illegible] performance of the beer division, which accounted for 77 per cent [illegible] Labatt's C$2.3bn (US$1.6bn) [illegible] April 30. Beer contributed [illegible] 90 per [illegible] of pre-tax profits [illegible] C$292m.

The Femsa [illegible] gives Labatt access [illegible] the fast-growing [illegible] market, where per capita consumption [illegible] much lower than North America, but is growing by 5 per cent to 7 per cent a year.

Mr Taylor predicts that [illegible] Cerveza will [illegible] highly profitable, with operating income rising [illegible] double-digit annual rates. He [illegible] the alli[illegible] springboard for expansion [illegible] other parts [illegible] Latin America.

The deal [illegible] not [illegible] challenges, however. Femsa Cerveza's market [illegible] has slipped in recent years [illegible] per cent. [illegible] main rival, Grupo Modelo, has [illegible] backing [illegible] Busch, [illegible] largest US [illegible]. Ironically, Labatt [illegible] AB's Budweiser [illegible] in Canada.

Mr Taylor sees [illegible] looming [illegible] David [illegible]. "We're going [illegible] be more fleet of foot, and do the types of things that we've demonstrated we can do in Canada [illegible] Italy," [illegible].

Outokumpu FM1.4bn issue goes ahead

By Hugh Carnegy in Stockholm

Outokumpu, the Finnish mining and metals group, yesterday went ahead with a FM1.4bn ($270m) share issue, following Nokia, the telecommunications company which this week completed a FM2.5bn issue, the [illegible] international offering by [illegible] Finnish company.

Outokumpu fixed the price for the offered units of one A [illegible] and [illegible] FM82.50.

The company [illegible] issuing 13.5m units, while the Finnish state, until now the majority shareholder, is selling 4.5m. Subscribers have the right to trade six warrants for one A share at a price of FM92 before June 28 1996.

The pricing compared with a closing price for Outokumpu A shares of FM88 on Wednesday.

Outokumpu said a further 3.3m units had been granted to the underwriters as an over-allotment option. If these are taken up, the issue will raise a total of FM1.3bn for Outokumpu and FM480m for the state.

Strong demand from both overseas and Finnish investors will have come as a relief to Outokumpu, as there had been some nervousness that the weakness of worldwide stock markets and a heavy flow of issues from Finland in recent months would dampen enthusiasm.

The proceeds are to be used to strengthen Outokumpu's balance sheet and to reduce debt.

If the over-allotment option is fully taken up, the state's holding in Outokumpu, which strengthened profits strongly in the first four months, will fall from 50.1 per cent to 38.2 per cent, the latest in a series of similar moves to reduce state ownership in Finnish industry.

The Outokumpu issue followed a successful issue by Nokia, the star of the Finnish stock exchange which last week became the first Finnish company to be listed on the New York Stock Exchange.

Nokia's original offer of 5m shares was eventually raised to 6m, raising a total of FM2.5bn to help fund its fast-growing mobile telephones business.

MG Corp names Amax executive as president

Metallgesellschaft Corp, main US subsidiary of Metallgesellschaft, the troubled German metals and mining company, has named Mr Thomas McKeever, a US energy industry executive, as president and chief executive officer, writes Richard Tomkins in New York.

He will replace Mr Karl von der Heyden who was brought in last December on a short-term basis to restructure the company after it and its German parent were hit by more than $1bn-worth of US oil trading losses.

Mr McKeever, 50, comes from Amax, the US metals and energy group, where he headed the Amax Energy division.

Amax Energy's oil and gas assets were sold to Union Pacific earlier this year after Amax merged with Cyprus Minerals to form Cyprus Amax Minerals.

Murdoch's stake in Fairfax said to be over 2%

By Nikki Tait in Sydney

John Fairfax, the Australian publishing group, said yesterday that it believed that Mr Rupert Murdoch's News Limited, the Australian arm of News Corporation, had increased its stake and now held more than [illegible] per cent of [illegible] shares.

On Monday, News [illegible] it bought a 1.7 per cent shareholding in Fairfax, which publishes three of Australia's leading daily newspapers, in mid-June. It made the disclosure after Fairfax had formally requested details of share trading around that date.

Yesterday, Fairfax said that it had since received [illegible] that additional purchases made "in the last week [illegible] two" had gone into five nominee accounts connected to News. These further shares lifted News' stake in Fairfax – which publishes the Sydney Morning Herald, Melbourne Age and Australian Financial Review newspapers – to 2.05 per cent.

[illegible] addition, Fairfax said that [illegible] knew of [illegible] further block of shares bought at the end of June into an account which had previously been identified with News.

However, Fairfax said it had not yet received any official confirmation that News was interested in this latest parcel of stock. If these shares do prove to [illegible] News, Mr [illegible] group would have a 2.3 per cent interest in [illegible].

The disclosures sent Fairfax shares 10 cents higher yesterday, to A$2.80, in a generally falling market, as speculation over Mr Murdoch's motives and talk of a bid play starting [illegible] to circulate.

Mr [illegible] Black, the [illegible] magnate who is currently embroiled in newspaper price war with Mr Murdoch in the UK, owns almost 25 per cent of Fairfax, while Mr Kerry Packer, the Australian businessman, has almost 15 per cent.

● [illegible] Pay Television, the consortium of media interests which was formed to pursue opportunities in the pay-TV field, announced yesterday that Network Ten, one of the country's commercial TV networks, had withdrawn from the grouping.

It said that in the short to medium term Ten would still participate in the pay-TV industry by making programming available [illegible] the consortium.

The consortium includes Mr Kerry Packer's leading Nine Network, Mr Rupert Murdoch's News group, and [illegible] Network, another [illegible] network, as well as Telecom, the state-owned telecommunications body.

The consortium, [illegible] known as PMT after its three most powerful members, is thought to have faced internal strains recently, as its members have developed differing interests in the evolving pay-TV sector in Australia.

However, it [illegible] yesterday [illegible] "plans to established the best and most attractive pay television service ... will not be affected by Ten's withdrawal as a shareholder".

Gantry lifts Bridge Oil stake

By Nikki Tait

The battle for Bridge Oil, the Sydney-based [illegible] group, threatened to reach stalemate last night. Gantry Acquisition, one of the two rival US-based bidders, raised its stake in the target company to just under 10 per cent by buying shares at prices ranging up to 95 [illegible].

Gantry said it wished to proceed with a full takeover offer [illegible] a share, but required further information before it would do so.

In particular, it wanted to [illegible] whether its Texan rival, Parker & Parsley, would accept [illegible] higher Gantry offer in [illegible] of its [illegible] 21 per cent stake in [illegible].

It asked for elaboration on reported comments from P&P, about "having different plans for different levels of acceptance".

Until yesterday, Gantry had [illegible] 86 [illegible] for Bridge, while P&P was offering 90 cents a share. An offer of 95 cents a share would value Bridge at [illegible] (US$285m).

P&P described Gantry's "alleged wish to make a 95 cent [illegible] share highly-conditional offer" as "a mirage".

It said it would not accept [illegible] an offer [illegible] respect of its own Bridge shares, and dismissed its rival's initiative as an effort to [illegible] Bridge shareholders.

However, Gantry insisted it had [illegible] intention of accepting P&P's 90 cents a share offer, and accused P&P of using delaying tactics to prevent shareholders from obtaining [illegible] higher offer.

Gantry [illegible] the bid vehicle being used by an investment partnership owned jointly by [illegible] Public Employees' Retirement System and Enron, the US natural [illegible] company.

Unlike P&P, which has said it is interested in developing Bridge's US and Australian assets, Gantry has said it [illegible] primarily in[illegible] in the US properties.

Bridge shares closed 2 cents higher at A$0.92 yesterday.

Nippon Shinpan plans to sell securitised loans

Nippon Shinpan, the consumer credit company, plans to sell securitised loans in the form of bonds as early as August, an official said, Reuter reports from Tokyo.

It is the first such sale by a Japanese firm.

The company is planning to issue Y20bn to Y30bn ($204m-$306m) in eurobonds backed by its automobile loans through a special-purpose company.

Goldman Sachs will lead manage the bonds.

The government has allowed Japanese loans through credit cards and leases to be sold on a retail basis since June last year, but had prohibited them from being securitised.

Japan's Ministry of Finance and Ministry of International Trade and Industry permitted Nippon Shinpan's asset-backed securities on condition that they be sold to overseas investors, the company said.

The company said it was taking this step in order to vary its means of fund-raising.

Nippon Shinpan [illegible] that it also planned [illegible] parts of its credit-card loan and [illegible] asset portfolios.

Caine to be Wang finance director

Wang Laboratories, the US computer group, has named Mr Franklyn Caine, chief financial officer and executive vice president, Reuter reports.

The company said Mr Caine most recently served as senior vice-president for planning and corporate development at United Technologies of the US. He will assume his responsibilities in mid-August.

Mr Caine succeeds Mr Michael Mee, who resigned from Wang last year and is currently chief financial officer and [illegible] vice-president at Bristol-Myers Squibb, the pharmaceuticals group.

Philippine acquisition by MUI

By Christine Hill in Kuala Lumpur

Malayan United Industries, (MUI), a Malaysian-based conglomerate with holdings in hotels, trading, property and newspaper concerns, is continuing its regional buying spree by purchasing a "significant stake" in Shangri-La Properties (SLPI), a loss-making Philippine property company.

The acquisition, worth at [illegible] (US$11.7m), marks the fourth overseas venture by MUI since selling its [illegible] banking and financial concerns to the Malaysian-based Hong Leong group last January for M$1.1bn.

SLPI owns 8.7 [illegible] prime business land in Manila, including the Shangri-La hotel and shopping mall. MUI has agreed to purchase at least 55 per cent [illegible] SLPI's proposed Peso 1.12bn ($41m) rights issue, as well as any remaining shares not taken up by investors, leaving MUI with a stake of between 21.67 and 39.41 per [illegible].

[illegible] from [illegible] rights issue will be used to retire [illegible] paving the way [illegible] their office building and condominium development. MUI said [illegible] SLPI purchase [illegible] provide it with a vehicle for the group's expansion plans in the Philippines.

MUI is controlled by Tan Sri Khoo Kay Peng, a reclusive Malaysian-Chinese businessman and close business associate of Mr Robert Kuok, another Malaysian Chinese regarded as one of south-east Asia's richest [illegible] and who [illegible] about one-quarter of SLPI.

Since [illegible] December Mr [illegible] made substantial investments in two Kuok-con[illegible] companies – the [illegible] China Morning Post (Holdings), the Hong Kong publisher, and Kerry Financial Services, a Hong Kong finance [illegible]. [illegible] other major shareholder of SLPI is Philippine tycoon Mr Alfredo Ramos, who controls 39.1 per cent.

Motorola to acquire IBM's stake in Ardis data network

Motorola, the US electronics group, has signed an agreement to acquire International Business Machines' 50 per cent interest in the Ardis wireless data network, Reuter reports from Schaumburg, Illinois.

Terms were not disclosed, but as a result of the agreement, Motorola will own all of the four-year-old venture, the companies said.

Ardis provides radio data communications to more than [illegible] metropolitan [illegible] the companies said.

Ardis is expected to operate as a separate, independent entity and a wholly owned subsidiary of Motorola.

The transaction is subject to a definitive agreement and regulatory approval.

Junior debt-holders take Trizec restructuring to court

By Robert Gibbens in [illegible]

The future [illegible] the C$1.9bn (US$1.36bn) restructuring [illegible] Trizec, the North American property group, will probably [illegible] decided by the Alberta Court of Queen's [illegible] at a hearing in Calgary on July 19.

[illegible] senior [illegible] and preferred and common shareholders have voted [illegible] accept the restructuring terms, but the junior debt-holders, owed C$310m, rejected it and were expected to take further legal action seeking an additional C$25m compensation.

"We're not fighting senior creditors and all we want is our day in court," said Mr Rick Orzy, their lawyer. "We have new evidence to show that we are being short-changed," he added.

The senior creditors, who stand to receive C$917m cash and Trizec shares in the settlement, were expected to lodge a technical motion in court yesterday, enabling them to seize their collateral.

"Ultimately, the court of Queen's Bench must decide on the restructuring," said Mr Derrick Tay, lawyer for the senior creditors. "But there is ample evidence already filed to show that the restructuring terms are fair."

The senior creditors were also considering several other options, Mr Tay added, but he declined to elaborate.

Trizec, formerly controlled by the Toronto branch of the Bronfman family, stands to get a C$1bn cash infusion from Horsham, a holding company of Toronto financier Mr Peter Munk, and [illegible] O'Connor Property Group.

Mr Munk would [illegible] chairman, [illegible] Horsham and O'Connor would [illegible] majority control [illegible] reconstituted Trizec.

● The Quebec government has sold its Sidbec-Dosco Steelmaker to Ispat Mexicana, part of the Indonesian-based Ispat steel group, for C$45m cash, the assumption of C$280m debt and a commitment to inject C$30m of working capital.

The government has been trying to privatise Sidbec and early this year hired Goldman Sachs of New York to find a buyer.

Ispat Mexicana's bid was the best of three received, the government said.

Ispat will also invest C$100m in Sidbec over the next five years.

Sidbec returned to profitability in the first quarter this year with higher North American steel prices.

In 1993 its sales were nearly C$500m and it lost C$98m. Steel shipments were just over 1m tonnes.

Sidbec's plant near Montreal is modern, using the Midrex pre-reduction system, but the adjacent rolling mills require [illegible].

● Nova, the Canadian energy group, said a consortium led by its wholly owned [illegible] iary, Novacorp International, has been named as the preferred purchaser of a 49 per cent interest in the 1,300km Moomba-Sydney natural gas pipeline in Australia, Reuter reports from Calgary.

Nova said Novacorp's partner in the consortium was Petroliam Nasional Berhad of Malaysia. It said Novacorp will hold about 25 per cent of the investment, and Petroliam will about 24 per cent; the remaining 51 per cent interest will be held by Australian Gas Light of Sydney.

In addition the group the group said its Nova Gas Transmission unit planned to boost spending in north east Alberta in 1994-95.

The company said the original spending plans for the region were about C$20m for the 1994-95 year. But they now expected to spend more than C$240m to accelerate deliveries from the area.

[illegible] the additional spending in north-east Alberta did not represent new capital investment, but rather an acceleration of capital spending previously planned for 1995 and 1996.

Nova Gas has said it planned to spend C$2bn on construction over the next three years.

INTERNATIONAL CAPITAL MARKETS

French auction leads Europe to firmer ground

By Conner Middelmann in London and Patrick Harverson in New York

European government bonds ended a choppy session on a firmer tone, supported by a successful auction of long-dated French government bonds.

However, investors continued to keep a low profile, put off by this week's high concentration of potentially market-moving events: Tuesday and Wednesday's meeting of the Federal Reserve's open market committee, yesterday's Bund[illegible] council meeting, [illegible] US jobs data for June and the weekend summit of the Group of Seven industrial nations in Naples.

GOVERNMENT BONDS

■ After outperforming the rest of Europe on Wednesday, the German bond market was overtaken by most of its neighbours yesterday and ended [illegible] changed. The September bund future on Liffe rose 0.05 point to 92.00.

The bund market's allure as a safe haven in times of turmoil had prompted heavy switching into bunds out of other markets earlier this week, causing yield spreads over Germany to widen dramatically.

However, that was partially reversed yesterday, with some spreads narrowing back sharply.

■ *The main beneficiary of the* this trend was France, where a well-received auction of 10-year and 30-year bonds gave the *market a [illegible]. The French* 10-year yield spread over bunds narrowed to 52 basis points, from 63 on Wednesday.

The Treasury sold a total of FFr19.337bn in bonds, at the lower end of the government's FFr19bn to FFr21bn pre-announced range.

The bulk of paper was allocated in the 6.75 per cent bonds due 2004, which saw a bid-to-cover ratio of 2.4 times. The cover on the 6 per cent bond due 2025 was even higher at 3.3 times. Most of the paper was said to have been taken by primary dealers, with investors largely abstaining.

■ UK gilts ended another trendless day firmer, supported by [illegible] *French market's strength* and institutional buying in the morning. However, traders said cash volume remained *thin* [illegible] *investors* remained sidelined, awaiting today's US data and the G7 summit. The September long gilt future on Liffe rose [illegible] to [illegible].

■ Danish bonds rallied sharply after the central bank cut its two-week repurchase rate by 10 basis points.

The 10-year benchmark bond rose nearly a point, causing the yield spread over Germany to narrow to around 130 basis points, from 142 at Wednesday's close.

■ US Treasury prices barely moved across the maturity range yesterday morning amid trading subdued by the unwillingness of participants to commit funds to the market ahead of today's important jobs figures. By midday, the bench*mark 30-year government* bond was up just $\frac{1}{32}$ at 84¾, yielding 7.582 per cent, and the two-year note was down $\frac{1}{32}$ at 99$\frac{15}{32}$, to carry a yield of 6.084 per cent.

After this week's meeting of the Federal Reserve's policy-making open market committee ended without any sign of a move in interest rates, the attention of investors and traders switched to the June employment report, which is due this morning.

Most analysts believed the FOMC chose not to change monetary policy because it wanted to see what the June employment figures would indicate about economic conditions.

Analysts said if the data reveal a further strengthening in the economy, then the Fed may choose to raise rates again to slow the pace of economic *activity*.

If the figures come in at or below the consensus forecast of a 284,000 rise in non-farm payrolls, then the Fed is likely to leave monetary policy unchanged.

Either way, uncertainty about the outlook for interest rates persuaded many participants yesterday that they were better off staying out of the market until after the June employment report was released.

● The French economics minister, Mr Edmond Alphandéry, told a conference that a plan to make it easier for private investors to buy French government bonds would not affect the government's borrowing requirement, *AP-DJ* reports.

Pension funds lift overseas investment

By Graham Bowley

European pension funds intend to reduce their reliance on domestic markets and increase investment overseas, according to a report on the industry.

Global Research, a division of Euromoney Publications, surveyed 181 of the largest pension funds in Europe between April and June.

With the exception of the UK, where fund managers expect to reduce the proportion of their US investments over the year, funds are increasing their investments in all areas of the world. The survey found that managers were diversifying their portfolios away from fixed-income [illegible] towards equities.

Phillips and Drew Fund Management was the most preferred external fund manager for UK pension funds, followed by Mercury Asset Management, Schroder Asset Management, Henderson Pension Fund Management and Gartmore Investment Management.

Non-UK pension funds preferred BBL, Kredietbank, AIB and Bank of Ireland.

The survey reported a difference in management styles between UK and other European pension funds, with 36 per cent of UK managers using indexing as part of their domestic strategy, compared with about 17 per cent of non-UK European funds.

However, there is an increasing trend towards indexing across Europe, with the trend most prominent in the UK. Almost 27 per cent of domestic portfolios are indexed, compared with 19 per cent two years ago.

Non-UK pension funds intended to follow UK pension funds and increase their use of external, specialist fund managers, largely for efficiency reasons and a more individual approach. Across Europe, about 62 per cent of funds employ external investment managers.

Market presence was given as the most important reason for using an external manager, with efficiency and expertise also important factors.

More than half of respondents saw an increasing role for trustees. About one-third of custodial services are still performed by fund managers, with global custodians proving almost as popular.

Derivative instruments were used by more than half of those managers surveyed, but UK pension funds were slightly more reluctant than non-UK funds to use derivatives. *Risk* was cited as the main reason for not using derivatives.

Riksbank sees limited risk in debt derivatives

The Riksbank, Sweden's central bank, said the exposure of leading Swedish participants to debt derivatives led to relatively limited credit risks, Reuter [illegible]rts from Stockholm.

In [illegible] first [illegible] report, the bank said: "The survey [illegible] that interest rate derivatives have the largest market share, measured by amounts. The exposures stemming from derivatives lead to relatively limited credit risks for the major Swedish market participants."

To monitor the market more efficiently, the Riksbank said it was considering collecting statistical information on a regular basis. The Riksbank *said the derivatives market* was characterised by trading primarily through leading Swedish banks and through derivatives exchanges.

Dealers prepare for flurry of issues next week

By Tracy Corrigan

Dealers are bracing themselves *for a potential slew of issues* next week, including global fixed-rate [illegible] for Finland and Freddie Mac, and $4bn equivalent of floating-rate notes for Italy, split between yen, dollars and D-Marks.

Freddie Mac's [illegible] year global issue, for which an investor roadshow is being held in London today, is due to be priced early next week, at an expected yield spread of 15-18 basis points over the five-year US Treasury yield.

Finland's 10-year deal, arranged by Merrill Lynch and *Morgan Stanley, is also likely* to be launched early next week at a spread of about 50 basis points over the comparable US Treasury yield.

INTERNATIONAL BONDS

In addition, at least [illegible] other sovereign [illegible] looking [illegible] the market, *dealers said*.

"You can still get global deals away, even though it's a difficult market," [illegible] trader.

But he added that market sentiment remained fragile, and strong employment [illegible] on Friday or disappointment with the Group of Seven summit of industrial nations in Naples at the weekend could spark further weakness.

Several more offerings emerged yesterday in the yen sector, where activity has been lifted by strong demand for yen assets in Japan.

Japanese investors are cash-rich, having liquidated dollar assets due to the weakness of the US currency.

Deutsche Bank launched a Y50bn issue of five-year notes, with a spread of 40 basis points over the comparable Japanese government bond yield.

However, dealers said that Japanese investors were focusing on the [illegible] per cent coupon, rather than the spread.

Because of the strong appeal *of the Deutsche name, there* was also some placement in Europe, lead manager Merrill Lynch said. Two other deals, aimed largely at the Japanese market, were launched for Mitsubishi Corporation and NTT Data, via IBJ.

● In its first three months of operation, the Central European Growth Fund, a $200m investment trust set up in March by CS First Boston and Cazenove to invest in central European stocks and bonds, [illegible] become 42.4 [illegible] cent invested in the shares of central European companies and [illegible] per cent in bonds, Anthony Robinson adds.

The remainder is in US money market instruments awaiting investment. Net asset value at June 30 is calculated at $186.9m or $93.43 per share.

NEW INTERNATIONAL BOND [illegible]

Borrower	Amount m.	Coupon %	[illegible]	[illegible]	Fees %	Spread bp	Book runner
US DOLLARS							
Daiwa Overseas(a)‡	100	(a1)	100.00R	Jul.2004	[illegible]	-	Salomon Brothers Intl.
Land [illegible] General Berhad(b)§	100	(4-4½)	100.00	2004	2.50	-	Kleinwort Benson/Nomura
YEN							
Deutsche Bk.Finance Curacao(c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Merrill Lynch International
Mitsubishi Corp. Finance(c)	[illegible]	[illegible]	100.30R	[illegible]	0.30R	-	IBJ International
NTT Data Comms. Systems(c)	[illegible]	[illegible]	100.25	[illegible]	0.30	-	IBJ International
[illegible]							
Credit Suisse Hldg.Finance(d)	150	[illegible]	101.54	[illegible]	2.00	-	CSFB-Effectenbank
AUSTRALIAN DOLLARS							
[illegible] Funding Corp.(c)	75	9.00	101.35	Dec.1997	1.50	-	Hambros Bank
Bayerische Hypobank	75	8.875	101.20	Aug.1997	1.50	-	Barclays de Zoete Wedd

Final terms and non-callable unless stated. The yield spread (over relevant government bond) at launch is supplied by the lead manager. §Convertible. ‡Floating rate note. R: fixed [illegible] price; fees are shown at the re-offer level. a) Principal may be amortised starting 28/7/97 with redemption amounts based on [illegible] in 3-mth Libor. a1) 3-mth Libor +½%, max 9½%. b) Fixing approx 15/7/94. Indicated conv prem: 6-11% over lesser of spot or 5 day average. Callable after 3 yrs, subject to 140% rule, at par. Puttable in 7 yrs at 60-85bp's over Treasuries. c) Short 1st coupon. d) Issue launched 23/6/94 was increased to DM400m.

Vietnam to raise $3bn

Vietnam plans to tap international capital markets for the first time to raise up to $3bn by the end of the century, a senior finance ministry official said, Reuter reports from Hanoi.

Vietnam is seeking to raise a *total of $50bn by the end of the* century to upgrade infrastructure, hoping to double gross domestic product and achieve an annual growth rate of 8 per cent to 10 per cent.

At least half would be raised domestically and half would come from overseas sources such as direct investment, foreign aid and by tapping capital markets, said Ms Le Thi Bang Tam, director of the ministry of finance's state Treasury department. The Treasury has been charged with planning the issue and marketing government bonds abroad.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	[illegible]	Day's [illegible]	Yield	Week ago	Month [illegible]
Australia		[illegible]	09/04	96.1900	+0.690	9.59	[illegible]	9.65
Belgium		[illegible]	04/04	93.5300	[illegible]	[illegible]	[illegible]	7.81
Canada *		6.500	06/04	83.1600	+0.700	9.12	9.27	[illegible]
Denmark		7.000	12/04	90.6500	+0.800	[illegible]	8.37	7.97
[illegible]	BTAN	8.000	05/98	[illegible]	[illegible]	[illegible]	6.79	[illegible]
	OAT	[illegible]	04/04	[illegible]	+0.210	[illegible]	[illegible]	[illegible]
Germany Treuhand		[illegible]	[illegible]	97.6000	+0.120	7.06	[illegible]	[illegible]
Italy		8.500	[illegible]	87.7600	-0.060	10.58†	10.46	9.63
Japan	No 119	[illegible]	06/99	105.0470	-	3.50	3.59	3.60
	No 164	4.100	12/03	96.3250	-	4.35	[illegible]	[illegible]
Netherlands		5.750	01/04	90.8800	[illegible]	7.10	7.10	7.04
Spain		8.000	05/04	82.2000	+0.350	11.04	[illegible]	[illegible]
UK Gilts		[illegible]	06/99	90-22	+6/32	8.28	8.38	[illegible]
		[illegible]	11/04	87-20	[illegible]	8.57	[illegible]	[illegible]
		9.000	[illegible]	103-09	+16/32	8.59	8.60	8.48
US Treasury *		[illegible]	05/04	99-25	+8/32	7.28	7.33	[illegible]
		6.250	08/23	84-12	+6/32	7.59	7.61	7.30
ECU (French Govt)		6.000	[illegible]	86.2400	+0.590	[illegible]	[illegible]	[illegible]

London closing, *New York mid-day. Yields: Local market standard.
† Gross (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal. *Source: MMS International*

US INTEREST RATES

Lunchtime — Treasury Bills and Bond Yields

Prime rate	[illegible]	One month	[illegible]	Two year	6.07
Broker loan rate	[illegible]	Two month	4.29	Three year	6.39
Fed.funds	[illegible]	Three month	4.34	Five year	6.67
Fed.funds at intervention	-	[illegible] month	4.86	10-year	7.27
		One year	5.42	30-year	7.57

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF)

	Open	[illegible]	[illegible]	High	[illegible]	Est. vol.	Open int.
Sep	[illegible]	114.84	+0.74	[illegible]	[illegible]	215,682	[illegible]
Dec	[illegible]	[illegible]	[illegible]	114.00	[illegible]	562	12,755
Mar	[illegible]	[illegible]	[illegible]	112.80	112.40	111	[illegible]

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

■ NOTIONAL MEDIUM TERM GERMAN GOVT. BOND (BOBL)(LIFFE)* DM250,000 100ths of 100%

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	103.00	102.50	-0.40	103.46	102.30	39992	58246
Dec	101.92	101.50	-0.55	101.92	101.92	10	100

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	Calls Sep	Calls Dec	Puts Sep	Puts Dec
10250	2.28	3.06	2.26	4.08
10300	2.00	2.84	2.50	4.34
10350	1.79	2.64	2.79	4.64

Est. vol. total, Calls 518 Puts 396. Previous day's open int., Calls 29774 Puts 28798

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

	Open	Sett price	Change	[illegible]	[illegible]	Est. vol.	Open int.
Sep	[illegible]	86.88	[illegible]	[illegible]	86.70	72,579	109,409
Dec	-	85.70	-	-	-	-	[illegible]

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	[illegible]	[illegible]	[illegible]	High	[illegible]	Est. vol	Open int.
Sep	99-25	100-14	+0-20	101-03	99-18	63367	[illegible]
Dec	99-00	99-14	+0-20	99-00	99-00	500	[illegible]

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike [illegible]	Calls Sep	Calls Dec	Puts Sep	Puts Dec
100	2-15	2-61	1-51	3-33
101	1-46	[illegible]	[illegible]	[illegible]
102	1-18	[illegible]	[illegible]	[illegible]

Ecu

■ ECU BOND FUTURES (MATIF)

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

* LIFFE contracts traded on APT. All Open interest figs. are for previous day.

FT-ACTUARIES FIXED INTEREST INDICES

Price Indices UK Gilts	Thur Jul 7	Day's change %	Wed Jul 6	Accrued interest	xd adj. ytd		Low coupon yield Jul 7	Jul 6	Yr. ago	Medium coupon yield Jul 7	Jul 6	Yr. ago	High coupon yield Jul 7	Jul 6	Yr. ago
1 Up to 5 years (24)	121.25	+0.11	121.11	1.91	5.82	5 yrs	8.33	8.39	6.79	8.51	8.57	6.95	8.60	8.66	7.13
2 5-15 years (22)	139.70	+0.57	138.91	2.16	6.71	15 yrs	8.49	8.55	7.57	8.63	8.72	7.97	8.68	9.00	8.22
3 Over 15 years (9)	166.35	+0.82	165.07	2.06	6.57	20 yrs	8.44	8.51	8.03	8.63	8.72	8.06	8.70	8.80	8.26
4 Irredeemables (6)	176.97	+0.56	175.98	1.46	7.38	Irred.†	8.53	8.57	8.16						
5 All stocks (61)	137.50	+0.47	136.86	2.07	6.43										

Index-linked							Inflation 5% Jul 7	Jul 6	Yr. ago	Inflation 10% Jul 7	Jul 6	Yr. ago
6 Up to 5 years (2)	188.31	+0.02	188.27	1.38	2.83	Up to 5 yrs	3.86	3.86	2.93	2.86	2.85	2.19
7 Over 5 years (11)	171.05	+0.25	170.60	0.54	2.65	Over 5 yrs	3.93	3.95	3.51	3.75	3.77	3.34
8 All stocks (13)	171.75	+0.23	171.35	0.66	2.63							

Debentures and Loans						5 year yield Jul 7	Jul 6	Yr. ago	15 year yield Jul 7	Jul 6	Yr. ago	25 year yield Jul 7	Jul 6	Yr. ago
9 Debs & Loans (76)	128.35	+0.99	127.09	2.24	5.84	9.69	9.75	8.09	9.57	9.68	8.93	9.45	9.51	8.11

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date.

FT FIXED INTEREST INDICES

	July [illegible]	July 6	July 5	July [illegible]	July 1	Yr ago	High*	Low*
Govt. Secs. (UK)	92.06	91.60	91.75	[illegible]	91.61	[illegible]	[illegible]	90.99
Fixed Interest	[illegible]	[illegible]	109.26	109.25	[illegible]	[illegible]	[illegible]	107.33

* for 1994. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 [illegible]. Fixed Interest high since compilation: 133.87 (21/1/94), low 50.53 (3/1/75). Basis 100: Government Securities 15/10/26 and Fixed Interest 1928. SE activity indices rebased 1974

GILT EDGED ACTIVITY INDICES

	[illegible]	July 5	July 4	July 1	June 30
Gilt Edged bargains	92.5	[illegible]	[illegible]	88.0	[illegible]
5-day average	89.0	91.5	94.3	99.3	99.8

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 7:00 pm on July 7

	Issued	Bid	Offer	Chg.	Yield
U.S. DOLLAR STRAIGHTS					
Abbey Natl Treasury [illegible] 03	1000	91¼	91½	+¼	7.91
Alberta Province 7⅞ 98	1000	[illegible]	[illegible]	+⅛	[illegible]
Austria 8½ 00	400	105	105¼	+¼	7.35
Bank of Tokyo 8⅝ 96	100	102⅜	103¼		6.69
Belgium 5½ 03	1000	84⅞	85⅛	[illegible]	[illegible]
United Kingdom 7¼ 97	5500	102⅝	102¾	+⅛	6.33
Volkswagen Intl Fin 7 03	1000	97⅜	97¾	+¼	7.41
World Bank 0 15	2000	21½	21¾		7.46
[illegible]	3000	91	91	+⅛	7.23
[illegible]	1250	111	111⅛	+⅛	6.40
Abbey Natl Treasury 8 03 £	1000	91⅛	91⅞	+⅛	8.44
Alliance Leics 11⅞ 97 £	100	107⅝	108¼		8.18
British Land 8⅞ 23 £	150	87½	88	+⅛	[illegible]
Denmark 6¾ 98 £	800	94¼	[illegible]		[illegible]
EIB 10 97 £	837	104¾	[illegible]	-⅛	[illegible]
Halifax 10⅜ 97 £	100	105⅞	[illegible]	-⅛	8.01

UK GILTS PRICES

■ 'Tap' stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds.

Buoyant demand helps Reg Vardy jump 92%

By Tim Burt

Buoyant demand for new and used cars helped Reg Vardy, the multi-franchise motor retail group, to increase [illegible] profits by 92 per [illegible] from £4.38m [illegible] £8.4m in the year [illegible] April 30.

The company said yesterday resurgent [illegible] of both volume [illegible] specialist vehicles had pushed turnover up from £205.2m [illegible] £298.2m.

Mr Peter Vardy, chairman, said: "Customers have been a bit more frisky. After three years in the doldrums, buyers are returning because prices and interest rates are low."

Those factors prompted a 58 per cent increase in total new vehicle sales to 11,268, while sales of used cars rose 27 per cent to 22,966.

Forecasting a steady recovery in the motor retail trade, Mr Vardy pointed to increased gross profits of £9.3m (£5.95m) on new vehicles sales and £11.3m (£7.76m) on used cars.

The figures were enhanced by improved profits in the after-sales division and contributions from seven dealers acquired during the year at a cost of £9.54m.

Acquisitions injected [illegible] operating profits ahead from £5.03m to £8.27m.

The group also made an exceptional £1.07m profit on the sale of surplus land and Mr Vardy hinted at further disposals this year.

Increased profits from both vehicle and property sales would, he predicted, enable the group to expand from its network of 28 dealerships to 40 within two years.

"We've promised to outperform our rivals in this sector, and that's what we've set out to do."

Earnings per share advanced to 12.9p (7.1p) and a final dividend of 3.2p makes a total of 4.6p (4.2p).

Learmonth & Burchett plans to concentrate on US

Learmonth [illegible] Management Systems, the USM-quoted computer [illegible] company, is switching its focus to the US. It is selling its UK general consulting division and increasing its US shareholdings, writes Nigel Clark.

The moves were announced at the same time as reporting losses of £746,000 for the year to April 30, against profits of £1.61m. Turnover was £26.4m (£23.6m) including £3.81m (£4.26m) from [illegible]

The shares lost 40p to close at 85p.

The consulting division [illegible] being sold to Parity, which yesterday confirmed its change of name from Comac, for £1.[illegible] cash plus £400,000 under a software licence agreement.

The division reported trading profits of £438,000 on turnover of £3.8m in the year to end-April. Net assets at July 6 were valued at £27,000.

Learmonth is raising a net £2.3m through a 1-for-5 rights issue of 3.63m shares at 70p. Mr Rainer Burchett, chairman, and Mr Roger Learmonth, chief executive officer, with others, are not taking up their rights in favour of Bessemer Venture Partners III, which is acting on behalf of a US consortium.

Bessemer is also underwriting the issue. Following the rights the consortium will hold between 7.9 and 16.7 per cent of the enlarged capital. It may subsequently increase its holding to 29.9 per cent.

Over the last three years the focus of Learmonth has been switching [illegible] particularly in the US.

The new operational centre will be in Houston, although because of the UK quote Mr Burchett will be based in the UK. Mr Learmonth will travel between the UK and US and Mr John Bantleman, chief executive of the US company, becomes group chief operating officer. In due course the company may consider moving to a US stock market quote.

Problems in the UK and continental Europe were blamed for the fall into losses in 1993-94. Corrective action was taken towards the end of the year which will have an effect in the present year.

Losses per share were 3.3p (earnings 7p) and the dividend is passed (0.75p).

Jurys' £6m Bristol acquisition

Jurys Hotel Group yesterday announced [illegible] third acquisition in the UK with the £6m purchase of the 245-bedroom Unicorn, in Bristol.

The Ireland-based hotel operator also announced [illegible] 60 [illegible] in pre-tax profits for the year [illegible] end-April, from [illegible] I£3.72m (£3.67m).

The Bristol deal follows the purchase of the Jurys Pond Hotel in Glasgow and the Jurys Kensington Hotel. The latter deal was funded mainly by an I£7.59m rights issue at the end of 1993. The balance of the £9.8m [illegible] came from borrowings.

The latest move will be financed through debt.

Sales in the 12 months increased by 28 per cent to I£33.6m (I£26.3m). Operating profit rose to I£5.13m (I£3.97m). Earnings were 11.1p (7.2p).

A final dividend of 3.25p [illegible] proposed, making [illegible] total of 5.15p (5p).

P&P adds QA to its training operation

By David Wighton

P&P is consolidating its move away from computer distribution with the acquisition of QA Training, one of the UK's leading computer training companies, for up to £18m. The purchase will be funded partly by a 1-for-4 rights issue at 60p to raise £8.6m.

P&P also released its interim figures, which showed continued recovery following its exit from volume computer distribution last year.

Pre-tax profits rose 35 per cent from £2m to £2.7m in the six months to end-May on turnover from continuing operations up 27 per cent from £93.8m to £119m.

Earnings per share increased from 2.1p to 3p and the interim dividend is raised from 0.8p to 0.95p.

Mr David Southworth, group managing director, said the company was seeing good growth across the board, which would be enhanced by the acquisition of QA. "It will expand P&P's skill base and corporate client base, and provides us with enhanced opportunities for the future."

QA is the UK market leader, with an estimated 20 per cent share, in the provision of technical training in desktop computing. It trains staff within companies who develop and support computer systems. It made an operating profit of £1.78m last year on turnover of £9.37m.

Mr Southworth said it would complement P&P's existing training operation, which has turnover of about £3m a year.

The vendors of QA – comprising its top management, its employees, and IBM, which has a 10 per cent stake – will receive an initial £15m in cash, shares and loan notes. There will be an additional payment of up to £3m, equal to six times the amount by which QA's profits exceed £2m in the year to April 1995.

Phoenix Securities advised P&P on the deal and the rights issue has been fully underwritten by Panmure Gordon.

Average number of agents up 10% and marketing investment £1.1m

Mail order helps Farepak to £6m

By David Blackwell

A 36 per cent rise in turnover at its core mail order business helped Farepak, which supplies about 1m Christmas hampers a year, to report a 22 per cent rise in profits.

For the year to end April, pre-tax profits rose from £4.98m to £6.08m on sales of £81.6m (£70.5m).

The outcome was struck after extraordinary charges of £211,000 for the amortisation of interest on the deferred consideration for the Littlewoods hamper business acquired in April last year, and £136,000 of [illegible] for joining [illegible] Official List.

Profits at the mail order division rose from £5.24m to £5.93m on sales up from £32.8m to £44.6m. The increased turnover included a contribution of £5.4m from the Littlewoods acquisition.

The average number [illegible] agents, which rose by 27 per cent to 70,000 in 1993-94, was 10 per cent up this [illegible] The group had invested £1.1m in marketing and was looking for good growth in the current [illegible]

The food processing division reported profits of £147,000 (£122,000) [illegible] turnover of £37m (£34.3m). Of the sales, £15.8m [illegible] made at no profit to associates, including Home Farm, the joint venture with Fine Art Developments, which contributed £1.57m to profits.

A further £10m of sales were accounted for by Tranfood, the cooked meat supplier, which had cut losses but was still some £100,000 in the red.

Customers start paying for Christmas hampers months in advance, providing a strong cash flow. However, a fall in average interest rates from 9.3 per cent to 5.6 per cent cut net interest receivable from [illegible] to [illegible]

Earnings per share rose from 14.42p to 17.58p. [illegible] final dividend of 4.75p is proposed, taking the total for the year to 6.6p (5.75p).

ICI makes Malaysian disposal

By Daniel Green

ICI is [illegible] sell its non-paint businesses in Malaysia to local managers for about £30m.

The restructuring is part of ICI's [illegible] of concentrating on its core businesses and involves two parallel deals.

ICI has [illegible] 50.1 per cent stake in the Chemical Company of Malaysia which has interests in industrial chemicals, [illegible], agrochemicals and 50.1 per cent of ICI Paints Malaysia.

ICI is selling its CCM stake to [illegible] management group for M$206m (£51m). At the same time, it [illegible] paying M$90m for 25.1 per cent of ICIPM, to add to a 34.9 per cent stake it owns directly.

Both ICIPM and ICI's Malaysian operation are profitable, although ICI [illegible] not provide figures.

The net effect is for ICI to have disposed of its non-paint businesses and increased its stake in the local paints operation from 50.1 per cent to 60 [illegible]

ICI's other Malaysian business, Tioxide, [illegible] products [illegible] largely [illegible] in paints, [illegible] by the [illegible]

Mr Iain Macfarlane, chairman of ICI's Malaysian operations, said the restructuring would allow his company and CCM to concentrate on their main business areas. "Both groups will be able to grow their operations in a more sharply focused way."

ICI said [illegible] hoped that CCM would continue to sell ICI products.

No decision had been taken on whether the roughly £30m cash generated would be repatriated or reinvested locally.

The transactions are subject to approval by Malaysian regulatory authorities.

Malaysian cinema joint venture for Wilton

By David Wighton

Wilton Group, the cinema and television concern, has formed a joint venture with Mr Robert Kuok, a Malaysian Chinese entrepreneur, to build and operate a chain of multi-screen cinemas in Malaysia.

Wilton and United Artists Theatre Circuit, which last year formed a joint venture to develop cinemas in south-east Asia, have joined forces with Cathay Cinemas to exploit the Malaysian market.

Cathay, a subsidiary of Mr Kuok's Perlis Plantations vehicle, operates 38 cinemas in Malaysia and Singapore. It will have a 50 per cent stake while Wilton and United Artists will each have 25 per cent.

It is thought that Wilton and United Artists are talking to Mr Kuok's group about cinema joint ventures in other south-[illegible] Asian countries, including mainland China.

Mr Michael Buckley, chairman of Wilton, said that the goal was to develop between 10 and 12 multiplex cinemas in Malaysia at a cost of between $7m (£4.6m) and $12m each.

He stressed that the cinemas would be very [illegible] generative once opened.

The main shareholders in Wilton, which [illegible] shortly to change its name [illegible] Pacific Media, are Mr Buckley and Mr Clive Ng, the Malaysian entrepreneur.

British Bloodstock moves out of the red with £124,000

By Gary Evans

[illegible] three [illegible] of losses, [illegible] Bloodstock Agency returned to the black in the 12 months to March 31 with [illegible] pre-tax profit of £124,000.

[illegible] in the USM-traded company, however, fell 13p to 92p yesterday, as the result fell short of some market [illegible] of between [illegible] £300,000.

Mr [illegible] Philipson, chairman, pointed out that the result, which compared with a £38,000 loss previously, continued the steady improvement in trading results which began in the second half of 1991.

He attributed the recovery to a substantial reduction in fixed costs and the first increase in turnover since 1990 – up 4 per [illegible] at [illegible]

Despite the return to profits, no dividend is recommended. Mr Philipson explained that he believed reserves should be strengthened following the lossmaking years and that the improvement in fortunes must be sustained before payments could be recommenced.

Earnings per share were 2.7p (1.4p losses).

[illegible] chairman [illegible] industry confidence reflected the beneficial change in VAT legislation in the spring 1993 Budget and an increase in prize money.

He expected the market to benefit from further increases in prize money, funded by the evening opening of betting shops and Sunday racing, and also in breeders' prizes, which are set to top the £1m mark in 1995.

Mr Peter Bickmore, managing director, has decided to step down in order to concentrate on running BBA Insurance Services and expanding the group's insurance interests. He will however, remain an executive director.

Prices for electricity determined for the purposes of the electricity pooling and [illegible] arrangements in England and Wales.

1/2 hour period ending	Provisional Prices for Trading on [illegible]: Pool purchase price £/MWh	Final Prices for Trading on [illegible]: Pool purchase price £/MWh	Pool selling price £/MWh
0030	[illegible]	[illegible]	[illegible]
0100	[illegible]	[illegible]	[illegible]
0130	[illegible]	[illegible]	[illegible]
0200	[illegible]	[illegible]	[illegible]
0230	[illegible]	[illegible]	[illegible]
0300	[illegible]	[illegible]	[illegible]
0330	[illegible]	[illegible]	[illegible]
0400	[illegible]	[illegible]	[illegible]
0430	[illegible]	[illegible]	[illegible]
0500	[illegible]	[illegible]	[illegible]
0530	[illegible]	[illegible]	[illegible]
0600	[illegible]	[illegible]	[illegible]
0630	[illegible]	[illegible]	[illegible]
0700	[illegible]	[illegible]	[illegible]
0730	[illegible]	[illegible]	[illegible]
0800	[illegible]	[illegible]	[illegible]
0830	[illegible]	[illegible]	[illegible]
0900	[illegible]	[illegible]	[illegible]
0930	[illegible]	[illegible]	[illegible]
1000	[illegible]	[illegible]	[illegible]
1030	[illegible]	[illegible]	[illegible]
1100	[illegible]	[illegible]	[illegible]
1130	[illegible]	[illegible]	[illegible]
1200	[illegible]	[illegible]	[illegible]
1230	[illegible]	[illegible]	[illegible]
1300	[illegible]	[illegible]	[illegible]
1330	[illegible]	[illegible]	[illegible]
1400	[illegible]	[illegible]	[illegible]
1430	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
1600	[illegible]	[illegible]	[illegible]
1630	[illegible]	[illegible]	[illegible]
1700	[illegible]	[illegible]	[illegible]
1730	[illegible]	[illegible]	[illegible]
1800	[illegible]	[illegible]	[illegible]
1830	[illegible]	[illegible]	[illegible]
1900	[illegible]	[illegible]	[illegible]
1930	[illegible]	[illegible]	[illegible]
2000	[illegible]	[illegible]	[illegible]
2030	[illegible]	[illegible]	[illegible]
2100	[illegible]	[illegible]	[illegible]
2130	[illegible]	[illegible]	[illegible]
2200	[illegible]	[illegible]	[illegible]
2230	[illegible]	[illegible]	[illegible]
2300	[illegible]	[illegible]	[illegible]
2330	[illegible]	[illegible]	[illegible]
2400	[illegible]	[illegible]	[illegible]

[illegible]

Government asked to cut beer duty to combat cheap imports

Greene King static at £20.4m

By Tim Burt

Greene King, the regional brewer, yesterday blamed the lingering recession in [illegible] Anglia for a flat performance during the 12 months to May 1 with underlying pre-tax profits rising just 1 per cent to £20.4m.

The Suffolk-based company said it had endured one of the longest and deepest recessions in memory, and beer volumes in its home market had fallen 7 per cent.

However, Mr Simon Redman, chairman, said the brewer had managed [illegible] restrict its own [illegible] decline [illegible] per cent and contributions from newly-acquired pubs in other areas helped group turnover [illegible] 5 per cent to £146.1m (£139m).

He claimed this was a creditable result in a fragile market where many breweries [illegible] suffering from cheap European beer imports.

Calling on the government to help the UK industry by reducing beer duty rates from 30p a pint to [illegible] than 10p, he warned: "Failure to act merely exports jobs and [illegible] our European neighbours."

Difficult trading conditions and the impact of continental imports [illegible] prospects remained patchy, he added, even though pre-tax profits rose 18 per cent on an FRS 3 [illegible].

The figures were distorted by exceptional costs of £2.8m arising from the abortive 1993 bid for Morland, the [illegible] Valley-based brewer.

Trading profits were held at [illegible] struggled with its brewing and wholesaling business, [illegible] profits fell sharply from £9.1m to [illegible].

The shortfall was offset by slightly improved profits in the tenanted trade – which overcame intense price competition and discounting to report profits of [illegible] – and a 24 per cent upturn in profits in the retail trade to [illegible].

Tony Andrews

Simon Redman, left, and Tim Bridge, managing director, celebrating a "creditable result in a fragile market"

The acquisition of 44 pubs from Bass helped the managed pubs division improve margins with drink sales growing 12 per cent and food sales increasing 49 per cent.

The £17.5m Bass acquisition took capital spending to £37.6m, while gearing rose from 34 per cent to 39 per cent.

Adjusted earnings per share came out at 35.9p (35.6p) and a final dividend of 9.05p is proposed, making 12.9p (12.3p) for the year.

COMMENT

Although [illegible] were slightly [illegible] expectations, [illegible] should [illegible] its [illegible] difficulties in a stronger position. It has shifted [illegible] away from tenanted pubs, where price cutting has been fiercest, [illegible] develop its managed estate [illegible] building a reputation [illegible] East Anglia. That effort will be boosted shortly by the opening of its Camberley depot to serve southern England and [illegible] canning operations. [illegible] developments are expected to lift profits this year to £22.5m, putting [illegible] on a prospective multiple of 12 – below the market sector's average.

Subdued response to 3i public offer

By Simon Davies

The public offer [illegible] the [illegible] group, [illegible] been fully subscribed. But the response to the £178m share offer was subdued by comparison with the 385,000 individual registrations for its prospectus.

Baring Brothers, the issue's sponsor, said details of acceptance levels would be [illegible] today. But early indications suggest that it was only marginally over-subscribed.

The timing of the offer coincided with a further slump in the equity market and a deluge of flotations. The company [illegible] yesterday [illegible] "delighted" with the take-up.

[illegible] chairman, [illegible] "To [illegible] £700m, including over £178m from the public, in these market conditions is a very major [illegible]."

Brokers were unwilling to forecast share price performance.

However, the consensus [illegible] that with the [illegible] tional placement 1.7 times subscribed, [illegible] edge above the issue price in early trading, but would offer little for the stags.

The company, which [illegible] Europe's largest investor [illegible] unlisted companies, [illegible] stakes in more than 3,400 businesses, is not a natural target for retail investment support.

However, it [illegible] an unusual exposure to the unlisted smaller companies sector.

[illegible] market capitalisation of £1.58bn, it is likely to be propelled into the FT-SE 100 Index, which will require many institutions to buy it.

Share allocations will be announced tomorrow. [illegible] on July 18.

Some Everton holders get the blues over rights issue

By Ian Hamilton Fazey, Northern Correspondent

Shares in Everton, the English football club, were on offer in Liverpool yesterday at £2,750 each – [illegible] short of the £4,000a [illegible] which the club will launch at a special general meeting on July 26.

"Anyone who takes up their rights at £4,000 when they can buy [illegible] open [illegible] at £2,750 will be absolutely bonkers," said Mr Philip Oakell, a stockbroker with Tilney & Co [illegible] Liverpool, [illegible] owns [illegible] shares himself.

"I shall definitely not be taking up my rights," he added.

"You can count me out too," said Mr Mike Dyble, co-founder of the BDH advertising agency in Manchester, who has three.

"You get almost nothing for [illegible] anyway," said Mr Tony Tighe, a Manchester public relations consultant, who paid £300 each for his two shares in 1986. "I spent £208 on my season ticket yesterday – a 5 per cent discount – but this club is so mean to its shareholders you don't even get a cup of tea at the [illegible]."

Mr Brian McGain, Liverpool managing partner [illegible] Stephens, [illegible] accountancy firm, is one of the more substantial small shareholders, with 17 shares.

"I disagree with the way it is being done," he said sadly. "If the club wanted to raise money it could have pitched the rights issue at below [illegible] and pleased a lot of us. But this way will just squeeze out the little guys and dilute their holdings."

Mr Dyble, who was part of consortium organised by Mr Bill Kenwright, the theatrical impresario, which hoped in vain [illegible] over [illegible] club, agreed. "It has had to be done this way so Peter Johnson can put nearly £10m into Everton and ensure the money goes to the club, not to shareholders." [illegible] said.

Mr Johnson is chairman of Park Food Group and the man who rebuilt Tranmere Rovers – Merseyside's third football club after Liverpool and Everton – both financially and on the field of play. He has one Everton share [illegible] will definitely be taking up his right to one more.

He also hopes [illegible] buy [illegible] other 2,499 new shares in the [illegible] which he is personally underwriting to buy his way into the Everton chairmanship so he can play boardroom football on a [illegible]. He left for a long weekend in the south of France yesterday to make himself unavailable.

There are 2,500 existing Everton shares, although Professor Tom Cannon, former director of Manchester Business School, true-blue Evertonian, and another member of [illegible] Kenwright's failed bid team, thinks [illegible] "dead" – [illegible] their [illegible] and failed to carry on a longstanding Scouse tradition of turning them into heirlooms.

He believes a few people will take up their rights to try to spite Mr Johnson by ensuring he does not get more than 50 per cent of the club. "[illegible] people will never forgive him for being a self-confessed Liverpool supporter. They will see it rather like making a pact with the devil," Prof Cannon said.

Control of what will actually happen is in the hands of the Moores family, the death of [illegible] patriarch – Sir John Moores, founder of Littlewoods and the football pools – precipitated the struggle for control of Everton last [illegible].

They own more than half the existing shares and have basically agreed to let Mr Johnson take control, although it is thought they are likely to manipulate their own take-up of rights to [illegible] they keep a 25.01 per cent blocking minority [illegible] any future [illegible].

Mr Johnson plans to build bridges: Mr Kenwright will become deputy chairman and one of his allies, Mr Arthur Abercromby, will join [illegible] board. So will Mr John Suenson-Taylor, son of Sir John's daughter, Lady Grantchester, herself the Moores family's main negotiator with Mr Johnson and Mr Kenwright.

What will happen to the [illegible] price after [illegible] issue fails and Mr Johnson sweeps in? "It will hold," says Mr Oakell, who is Tilney's expert on the [illegible] industry.

"This offer values Everton at about £20m, which is [illegible] the market capitalisation of, say, Arsenal, another unquoted club of similar pedigree. If Johnson can pick Everton up the way he did Tranmere Rovers, the value should eventually double. The shares could become very valuable [illegible]," Mr Oakell added.

Provided, of course, Everton eventually floats on the Stock Exchange – the Moores family's likely blocking minority will be the deciders of that.

Higher costs cut Gold Greenlees to £3m

By Diane Summers, Marketing Correspondent

Gold Greenlees Trott, the advertising and marketing services group, reported pre-tax profits of £3.1m for the year to April 30, against £4.3m – a fall of 29 per cent.

The results were in line with a profits warning issued by the group in March, the second time in five months that GGT found itself acting to dampen City expectations which had originally been forecasting profits of about £6m.

Turnover increased by 8 per cent from £275.4m to £298.2m, but administrative costs increased by 17 per cent, or 11 per cent at constant exchange rates. Operating profits were down 29 per cent to £4.1m (£5.84m).

Earnings per share were down 44 per cent from 15.63p to 8.77p. A proposed final dividend of 2p makes a total for the year of 5.3p, compared with 8.3p.

Mr Michael Greenlees, chairman, [illegible] that much of the [illegible] in revenue had come from new business, rather than higher levels of income from existing clients. This had led to the need for additional resources to service the business before the receipt of the resulting income.

"The disappointing financial performance does not adequately reflect the progress made during the year," he said, adding that he was "encouraged by the outlook for the current year".

The group announced that Mr [illegible] Gold, co-founder and joint chairman with Mr Greenlees, would be leaving at the end of July, having moved with his family to [illegible].

Ms Jan Hall, until recently [illegible] and chief executive of Coley Porter Bell, the design consultancy, will join the board in the newly-created role of chief executive, GGT Europe. Mr Peter Quinnen has been appointed a non-executive director.

The shares rose 5p yesterday to close at [illegible].

Smith New Court holds back the tide for brokers

By Norma Cohen, Investments Correspondent

Smith [illegible] Court, [illegible] UK securities house, announced yesterday it would accommodate private client stockbro[illegible] "[illegible] a transitory period" following the move to 10-day rolling settlement on July 18.

The move is likely to prompt other UK marketmakers, who are keen to retain their share of the private client stockbroking order flow, to match the offer.

Smith New Court said that from July 18 it would offer a facility for these stockbrokers to request special settlement at the point of execution if Trade Date plus 10 is not suitable. They will not be charged additional interest for a longer settlement period.

Settlement is the process by which shares are delivered to a buyer in exchange for delivery of payment.

From July 18, UK securities [illegible] will settle 10 [illegible] days after they [illegible] struck, a departure from the [illegible] position in which trades settle as a block within two- or three-week settlement periods.

While institutional investors [illegible] expected [illegible] make [illegible] switch to 10-day rolling settlement with ease, some private client stockbrokers fear [illegible] create difficulties for retail [illegible].

Some fear they will not be able to remit cash to their [illegible] in time to pay [illegible] shares within 10 [illegible] days, nor may they be able to [illegible] share certificates on time.

Burtonwood shows 11% advance to top £3m

By Graham Deller

Burtonwood, the [illegible] based real ale brewer, reported an 11 per cent improvement in pre-tax profits, from a restated [illegible] £3.07m, for the 12 months to March 31.

The increase, [illegible] after losses of £353,000 (£399,000) on [illegible] despite minimal growth in turnover; [illegible] totalled £50.8m (£50.3m), including £3m [illegible] from the [illegible] off-licence chain, now sold.

Mr John Dutton-Forshaw, chairman, said [illegible] profits from managed houses "improved significantly" [illegible] "selective expansion" in the tenanted estate also contributed to the performance.

Beer volumes in the tied estate – now comprising 462 houses owned or leased against 424 at [illegible] 1993 – increased by [illegible] per cent. The ongoing withdrawal from low margin [illegible] business, however, resulted in a 3 per cent fall in overall volumes.

A revaluation of group properties undertaken during the second half showed a small increase on previous book values. When the review was announced at the interim stage the [illegible] said that a slight overall decline was likely.

Earnings emerged [illegible] (8.5p), or 11.6p (10.4p) excluding the disposals. A final of 4.3p makes a total of 5p (4.68p).

Lincoln House buys Medallion

By Gary Evans

Lincoln House, the USM-quoted home furnishings group, yesterday announced the purchase of Medallion Upholstery, largely funded by a placing and open offer to raise £7.4m net.

Lincoln is paying up to £8.2m for Medallion, 50 per cent of whose turnover is represented by exports to continental Europe.

Mr Anthony Robinson, Medallion's chairman and 50 per cent shareholder, will receive £1m in Lincoln shares at the placing price of 36p as part of the consideration for his stake. On completion, he will join Lincoln's board.

In view of the size of the deal, Lincoln intends to apply for a full listing. Yesterday, the shares were suspended at 37p, but dealings are expected to resume on August 3.

Under the placing and offer, Lincoln is to issue 12.14m placing shares and 10.09m offer shares on a 2-for-5 basis at 36p. As a result, the share capital will almost double.

Lincoln also said it intended to [illegible] every 150 ordinary shares of 10p into one new £15 share; each new share would be subdivided into 75 new ordinary shares of 20p each.

It is also proposed to change the company's name to Wyefield Group.

DIVIDENDS ANNOUNCED

	Current payment	[illegible] payment	Corres-ponding [illegible]	Total for [illegible]	[illegible]
Burtonwood ....fin	[illegible]	-	3.98	[illegible]	4.68
Farepak ....fin	4.75†	Oct 1	4.1	[illegible]	5.75
Gibbon Lyons § ....fin	3.3	Oct 3	3	[illegible]	5
Gold Greenlees ....fin	2†	Oct 31	5	5.3	8.3
Greene King ....fin	9.05	Aug 26	8.6	12.9	12.3
ICC Bank ....int	[illegible]	-	6	-	20
Jurys Hotel ....fin	3.25‡	Aug [illegible]	[illegible]	5.15	5
K'wort Charter ....int	1.25	Aug 23	[illegible]	-	5.15
Learmonth § ....fin	nil	-	0.75	nil	0.75
Microgen ....int	2.2	Aug 19	[illegible]	-	7.25
P&P ....int	0.95†	Oct 3	[illegible]	-	2
St David's Trust ....int	3¶	Sept 30	3	-	14.5
Vardy (Reg) ....fin	3.2	Oct [illegible]	2.9	[illegible]	[illegible]
Wilshaw ....fin	[illegible]	Oct 1	0.35	0.8	5

Dividends shown pence per share net except where otherwise stated. †On increased capital. §USM stock. ‡Irish currency. ¶Third interim making 9p to date.

Allied-Lyons plans sales

By Andrew Bolger

Allied-Lyons, the drinks and retailing group, said yesterday that further disposals of its food manufacturing business [illegible] being actively explored.

The group, which in March paid £739m for control of Pedro Domecq Group, the Spanish drinks producer, wants to focus on its drinks and retailing businesses.

The food manufacturing division, which last year had sales of about £1bn, makes Tetley teabags and also includes a European bakery business and an ingredients supplier in North America.

Yesterday's annual [illegible] received shareholders' approval for a name change to Allied Domecq.

Prestwick seeks £4.5m

[illegible] Holdings, [illegible] Scottish printed circuit board maker, [illegible] raise £4.5m through a 4-for-5 rights issue of 20.1m shares at 24p each. It is [illegible] selling Electroconnect, its electronic design subsidiary, to its management for £1.[illegible].

Prestwick lost £3.9m in the year to July 31 1993 and a further £1.95m in the first six [illegible] of the current [illegible].

In January Mr Archie Coulson of Postern, the corporate rescue specialist, [illegible] over as executive chairman.

He said yesterday Prestwick was now trading [illegible]. It [illegible] incur a pre-tax loss of not more than £1.23m in the current year. Operating profit for continuing operations [illegible] less than £765,000, compared with a loss of £96,000 in the first half.

NEWS DIGEST

Wilshaw ahead 53% to £3.25m

Wilshaw, the specialist metals and building products [illegible] reported pre-tax profits up by 53 per cent from £2.13m to £3.25m on turnover ahead some £5m to £36.6m for the year to end-March.

Earnings came [illegible] (1.6p) per share and a final dividend of 0.4p makes 0.8p (0.5p) for the year.

ICC Bank shows 7% rise to I£5.5m

ICC Bank, the Irish state-owned bank, reported pre-tax profits of I£5.5m (£5.43m) for the six months to April 30, a 7 per cent improvement on the I£5.14m [illegible] in the corresponding period last year.

The [illegible] on reduced income [illegible] I£47.3m, [illegible]. The reduction [illegible] directly related to the fall in interest rates, directors said.

The interim dividend [illegible] maintained [illegible] more than five times covered by earnings of 31.6p (31.5p) per share.

Gibbon Lyons advances to £1.7m

Pre-tax profits of Gibbon Lyons Group, the USM-quoted maker of printing inks and related products, showed a 72 per cent advance from £990,050 to £1.7m in the year to end-March. Turnover rose by 11 per cent from £23.1m to £25.7m.

Last year's profit, however, was depressed by the writing off of the group's Dutch subsidiary. Stripping out exceptional charges the profits increase is reduced to [illegible] per cent – from [illegible] to £1.84m.

Earnings [illegible] emerged [illegible] 10.9p (4.7p) and a [illegible] mended final dividend of 3.3p makes a total for the year of 5.5p (5p).

To better [illegible] it is proposed [illegible] the company's name be changed to The Gibbon Group.

Microgen falls 9% to £3.44m

Microgen Holdings, the computer services group, yesterday reported pre-tax profits for the [illegible] months to April 30 down 9 per cent from £3.78m to [illegible].

Sales rose 11 per cent from £26.1m to £29.1m. The interim dividend is maintained at 2.2p on earnings per share of 5.5p (6.1p).

Rejected Regent offer to lapse

Regent Corporation, the housebuilder, is not proceeding with its share offer for First Choice Estates announced last month, which originally valued First Choice at [illegible].

Instead, First [illegible] said [illegible] it had agreed an offer from Cardiff Properties.

St David's Trust net asset value rises

St David's Investment Trust reported net [illegible] per capital share up from 237p to 251p during the year to May 31.

[illegible] revenue [illegible] the [illegible] months to the end of May was £460,000 (£450,000) for earnings per income share of 5.61p (5.4p). A third interim dividend of 3p is declared, making an unchanged total so far of 9p.

PROPERTY

From domes to towers

John Barham reports on the changing face of Buenos Aires

A few years ago, the sight of a busy building site in Buenos Aires provoked in [redacted]s-by a look of mild curi[redacted] Their response [redacted] understandable: there had been little construction activity in the city over [redacted]e previous decade. Today, building sites are blossoming throughout the city. In fact, since 1991 the city centre, particularly its cramped business district, has become one big building site.

[redacted] of runaway inflation and economic decline had depressed construction to less than 100,000 square metres a year by the late 1980s. Today total new constructions have increased to 2m sq m a year.

This leap in building activity is the consequence of the free-market reforms unveiled by President Carlos Menem in 1989. The market liberalisation ushered in a construction boom, low inflation (from a [redacted] 200 per cent [redacted] month [redacted] 0.1 per cent [redacted] month today), privatisation and economic growth of 6 per cent a year.

Mr Eduardo Elsztain, president of IRSA, Argentina's only quoted property developer, said: "Economic stability led to a rise in property values, and encouraged many Argentines to bring back their 'flight capital' from abroad to invest in property at home."

Initially, much of this renewed domestic investor demand was used to mop up the property surplus from the previous upswing, which petered out in 1980. But such has been the pace of demand since the early 1990s that there is already a shortage of prime office accommodation.

Mr Alberto Cardello of surveyors Inverlad, the local associate of UK property company Richard Ellis, estimates that construction of offices, apartments and shops has risen 20-fold since the low point in 1989. Seven office blocks are currently going up within a stone's throw of each other on one of the last vacant plots of land in the city's business district. When completed, the new buildings will increase Argentina's 2.5m sq m stock of office space by one-fifth.

As the market has become more liquid, more property deals are being concluded, including many with international companies attracted to the city as operators of privatised utilities. But rising values are also forcing some companies to think twice about Buenos Aires: a year ago, IBM failed to sell and lease back its Buenos Aires headquarters after it refused to pay the high rent demanded by the prospective purchasers.

National Congress building and modern offices in Buenos Aires

While rents for new high-rise offices in Buenos Aires remain high, developers in the city say rents for old offices in the crowded financial district are falling. In addition, industry observers warn that too much uncontrolled development could soon lead to a surplus. Critics point, for instance, to the plans unveiled by the property arm of the Argentine food giant, Bunge y Born, as an example [redacted] may ultimately lie empty.

Mr Juan Goni, general manager of the property division, said the company has a $100m portfolio of [redacted] land which it is trading to generate cash to reinvest in property. One project under way is a $65m, 26-floor office block in the city's business district, jointly funded by Bunge, the Aoki Corp of [redacted] and a local construction group. "[redacted] think that [redacted] who had [redacted] courage and went ahead first [with developments] will be successful. I am [redacted] later," [redacted] Goni.

In any event, despite concerns in [redacted] sector, developers [redacted] largely because of optimism about the residential and retail [redacted]perty sectors.

The availability of relatively cheap 15 per cent mortgages – until three [redacted] mortgages were un[redacted] – are drawing the middle class into [redacted] property [redacted] for [redacted] first [redacted] in a generation. [redacted] home ownership [redacted] been the preserve of those able to pay in cash.

[redacted] housing [redacted] widely available, [redacted] a four-year programme to build 166,000 homes. The properties, costing between $40,000 and $50,000, would be [redacted] by private [redacted] institutions. The government is assisting with further dismantling of planning regulations.

Investor interest has also honed in on shopping centres: French-owned Carrefour, Argentina's leading retailer, recently bought a $30m plot in [redacted] which to build its eighth hypermarket in Argentina. Wal-Mart of the US is to pay Bunge $20m for a [redacted] sq m former factory site where it will erect a hypermarket, its first in Argentina. IRSA has begun work on a project to convert Buenos Aires' central market into a shopping and housing complex. The company paid $54.6m for the site in a run-down district of the city.

The past fours years of fre[redacted] activity has [redacted] provoked criticism from people who say the dash for high-rise structures is doing untold dam[redacted] city's distinctive Parisian architectural charac[redacted] outcome has been a rapid disfigurement of [redacted] Aires' skyline of cupolas and domes; today, the skyline is dominated by glass and steel towers. There are some notable exceptions. Argentine-born architect Cesar Pelli – who designed the Canary Wharf tower in London's docklands – has created a widely-admired 29,000 sq m office block, inspired by the smooth, curved lines of a ship's hull.

Opponents of government housing and inner-city policies have singled out for criticism the run-down Retiro railway station, which the authorities hope to turn into a vast shopping/conference/exhibition complex. Mr Antonio Cartana, the city's ombudsman, said: "Retiro is not [redacted] renovation project, but the clearest and [redacted] the causes of urban and social collapse – profit-seeking [redacted]ventions by those connected to the government."

Developers also point to an over-stretched transport and utility infrastructure and the absence of clear planning regulations as impediments to potential developments.

Buenos Aires' legislative council, for instance, often grants planning permission that runs counter to its own zoning regulations, which are designed to restrict property [redacted] in certain [redacted] As a result, says Mr Roberto Salem, [redacted] city's urban planning and environment secretary, "you get a 50-storey building on a site that is meant for 10 storeys. These exceptions are the result of influence, politics and lobbying. It's sad to recognise it, but it is true."

COMMERCIAL PROPERTY

Peru gets oil privatisation drive into gear

By Sally Bowen in Lima

Privatisation of the core assets of Petroperu, Peru's state oil and gas company, has finally got off the ground with the release this week of a preliminary information memorandum.

The strategy, devised by Merrill Lynch after technical studies by Arthur D. Little and other industry experts, is to split the company into 11 business units. For most of these a 60 per cent stake will be offered to private sector operators, with the state retaining 40 per cent. Auctions, by sealed bids, will start in October.

Some analysts still question the decision to dismember the integrated company for sell-off. Its assets are very mixed, with the upstream operations more attractive than the elderly refineries.

Two major oilfields, known as Blocks 8 and X, have proven reserves of 100m and 45m barrels respectively. Current output from the former, located in the northern jungle's Maranon basin, is 33,000 barrels a day. Block X, in the northern coastal basin of Talara, produces some 15,000 b/d.

For sale separately are four refineries: La Pampilla, the largest, which serves Lima and the coast; medium-sized Talara on the north coast; the small refinery and terminal at Iquitos on the Amazon River; and Conchan, just south of the capital, which is the sole asphalt producer for the Lima market. Conchan twice failed to find a buyer when offered at auction in late 1992.

Most important of the remaining five business units is the Japanese-built pipeline, the only means of transporting crude from the northern jungle fields to the Talara terminal. It now operates at about 40 per cent of its 200,000 b/d capacity and will be offered as a renewable concession for 10 years at a time.

Other Petroperu assets up for sale are a gas gathering system, with storage facilities and pipeline; marine terminals and airport fuel plants; the liquefied petroleum gas storage facility in Lima's port of Callao; a lubricants blending plant; and electric power generating facilities in the Talara region.

In line with the government's objective of creating competition in the local market, bidders will be subject to certain restrictions: the future operator of La Pampilla, for example, will be barred from purchasing Talara, Conchan or the Callao terminal.

Petroperu was created in 1969 when General Velasco's left-wing military regime nationalised the assets of International Petroleum Corporation (a subsidiary of Exxon), Chevron and Belco. The company was charged with all Peru's oil-related activities, from exploration through refining to sales and distribution.

In the early years, the state made big investments, and some major finds. The 200,000 b/d northern pipeline was built with Japanese financing and the refineries at Talara and La Pampilla were expanded.

Decline set in, however, when the international oil price slumped in the early 1980s. The state proved a poor manager, swelling Petroperu's payroll with political appointees and pursuing incoherent pricing policies that left the company badly decapitalised. Foreign investment flows dwindled, then disappeared altogether in the mid-1980s.

Peru's crude oil production slumped from 1982's peak of 195,000 b/d to 115,000 b/d in 1991. From being an oil exporter, the country became a net importer. Exploration came to a virtual standstill and reserves shrank to 380m barrels at the end of 1993.

New oil legislation passed in August 1993 was designed to attract foreign investors back and, to a certain extent, is doing so. Perupetro, a small state agency, now promotes, negotiates and administers contracts for exploration and production, while Petroperu must compete on equal terms with the private sector.

Since 1993, 11 contracts have been negotiated by private oil companies – including Petrotech and Maple Gas of the US and China's Sapet, a subsidiary of China National Petroleum. Perupetro has a similar number of further contracts in the pipeline with, among others, Arco of the US, Elf Aquitaine of France and Spain's Repsol. Occidental Petroleum, Peru's old-established and biggest producer, has also embarked on new exploration and development ventures.

Modest investments by private operators – and by a now financially-viable Petroperu – are starting to have an impact on output. This year's First quarter production, at 130,000 b/d, was 5 per cent higher than 1993's. But the oil trade deficit for the quarter still cost the country almost $18m.

Perupetro's new president Mr Alberto Bruce is upbeat about prospects. "Investors are flocking in," he says, [illegible]ting fresh interest to increased confidence in Peruvian economic management, the attractive legal framework and the decline of terrorism. "At this rate, we'll have to buy bits of Brazil and Argentina to satisfy all of them."

But Peruvian production costs are high and, so far, the promising geology has failed to throw up any major strikes comparable with Colombia and Ecuador's. By far Peru's biggest prospect so far is the huge Camisea gas fields, discovered in 1986 by Royal Dutch Shell. The company is currently updating feasibility studies and could sign a development contract, perhaps worth $2bn, late next year.

Peru's immediate future looks to be in the hands of the smaller international and national operator. Nut that is not necessarily a disadvantage, according to Mr Roger Alderson, chief executive of Great Western Resources, a medium-sized company prepared to invest $80m in Peru over the next five years.

"As in Colombia, we smaller firms come in, take the risks and attract the big fish once we start showing results," he says. "Peru continues to be the great unexplored."

Diouf makes a vigorous start to FAO reform

John Madeley talks to the new director-general of the United Nations' food and agriculture agency

Mr Jacques Diouf of Senegal, the first African to lead the United Nations Food and Agriculture Organisation, is planning the most radical shake up of the agency since it was formed in 1945.

The FAO is both the largest UN agency and largest international organisation dealing with food and agricultural issues. Six months after taking over as its director-general, Mr Diouf called for urgent action to tackle the serious food problems in Africa and for FAO to be re-invigorated, "making it more effective in a renewed war on hunger and malnutrition".

With a two-year budget of $673m, the agency has come in for criticism for its bureaucracy and for basing professional staff mostly at its Rome headquarters. But after years of little change, staff are heading out of Rome, meetings are being cut and some $40m of the budget has been re-allocated to field-orientated programmes for "food security and preventive measures against pests and diseases", says the new director-general.

He wants more of the FAO's money to be used to help increase the availability of food in areas where it is short, with the emphasis on sustainable production.

A "war on hunger" needs to waged, Mr Diouf stresses, especially in 78 low-income, food-deficit countries, 45 of them African. "Governments of developing countries will have to adopt efficient policies and programmes to foster agricultural production. They need to re-allocate the means to invest in agriculture and rural development," he says.

But production is only part of the problem, Mr Diouf points out, calling for "a frontal attack on poverty to be be launched to allow the rural poor to have the income needed to buy food".

He has urged international financing institutions to redirect their funds in favour of the agricultural and rural sector in the form of investment for basic infrastructure. As part of the FAO shake up, a special programme to support food security in food-deficit countries has been launched, with a new department of sustainable development being set up, together and a technical co-operation department to "enable FAO to be more responsive to the needs of its members", says Mr Diouf.

> 'Governments of developing countries. . . need to re-allocate the means to invest in agriculture and rural development'

A new division has been set up to deal with with the advancement of women "who," the director-general points out, "produce well over 50 per cent of the developing world's food". In addition a new Agriculture and Economic Development Analysis Division has been established to improve the agency's analysis of macro- and micro-economic issues.

Nearly 200 of FAO's 1,500 Rome-based experts are being relocated to Third World national offices, which are also being reinforced with local expertise – "a new approach to the problem", claims Mr Diouf.

He warns that a food crisis is emerging in eastern Africa, with 34m people threatened by famine, and that "the situation is worsening dramatically in some parts of the sub-continent. "We should act in such a way as to avoid the regular occurrence of famine, due to drought in particular, and make sure that we deal with the problem of water management," he says. "In Africa, we have to ensure that the 5,100bn cubic metres of water from rivers that go to the sea every year are controlled and used for the benefit of the agricultural producer. Without water control, there is no production".

FAO intends to launch projects, Mr Diouf says, that will show that even where there is drought "we are able to have adequate protection".

"We will prepare bankable projects for the infrastructure needed, and hope that through this process, and also by convincing governments of water management, adequate resources will be invested".

With global population projected to rise by 50 per cent in next 30 years, Mr Diouf points out that land availability per person is already declining "and will decline further. There is less land for more people, and a tendency for farmers to move to marginal lands. Some areas will be used more intensively. If there is no technological breakthrough that allows the population to produce more yet preserve the value of the land, there is no solution".

He believes that alongside policies to ensure that population growth rates are lowered through the improvement of the economic conditions, "we in agriculture have the responsibility to ensure that there are technologies which are more efficient, yet respect the environment. That is the only way".

MARKET REPORT

Coffee tumbles on Brazil sales plan

London Commodity Exchange COFFEE futures tumbled in the afternoon on news that Brazil was ready to sell 5m bags (60kg each) on the internal market to calm prices. The September position ended $50 down at $3,095 a tonne after earlier plunging $100.

At the London Metal Exchange COPPER prices were supported by commission house buying, and though they closed sharply lower on the day the overall uptrend remained intact, dealers said. ALUMINIUM initially buckled when copper came under pressure, but rallied after finding support below $1,500 a tonne.

Compiled from Reuter

Mining share 'indigestion' approaching

By Kenneth Gooding, Mining Correspondent

Mining companies have raised at least US$5.594bn from the issue of shares and convertibles so far this year, topping the $4.84bn they collected in the whole of 1993.

Mr Nick Hatch, analyst at the Ord Minnett financial services group, who collated the statistics, says last year's total "looked a pretty impressive number" but 1994's will put it in the shade.

There is at least another $2bn of equity potentially to be offered to investors during the rest of this year, he says, and warns: "one can't help feeling that the gourmet grazing on mining equities is rapidly approaching indigestion".

He points out that shares in some of the big new issues in the first half of 1994 – Ashanti Gold Fields (which raised $320m); Santa Fe Gold ($252m) and Falconbridge ($1bn) are all trading below their issue prices.

According to Mr Hatch, North American mining companies so far this year have raised $2.441bn; Australian companies have raised US$1.731bn; European companies $631m; African companies $511m; and $270m was raised by mining companies based elsewhere in the world.

He points out, moreover, that he has tracked only substantial issues and there were certainly more, particularly in North America, that were not included.

Included in [illegible] raised so far by Australian mining companies is the US$525m being asked for by Western Mining to help pay for its deal with Alcoa of the US, announced this week.

Other capital-raising operations expected this year include Royal Dutch/Shell's sale of some Australian mining assets for about US$300m; the US$450m flotation in Australia of a company with an interest in the proposed Lihir Island gold mine in Papua New Guinea; a share sale by Alcan Australia to net about US$230m; and a rights issue by Comalco.

Elsewhere in the world, a sale of shares in Outokumpu of Finland is to raise $276m; Metallgesellschaft is expected to sell its controlling interest in Metall Mining of Canada, which might raise US$300m; while in the UK the London-listed Bakyrchik Gold will be seeking about $120m for expansion before the year-end.

In North America nearly every substantial mining company has made a "shelf" registration – an indication to the authorities that it might soon issue new shares. Zeigler Coal, the fourth-largest US coal company, recently announced it will raise about $160m.

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE
(Prices from Amalgamated Metal Trading)

ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	1482-83	1506-7
Previous	1482.5-83.5	1506-6.5
High/low		1514/1498
AM Official	1483.5-84.5	1506.5-7.0
Kerb close		1508-10
Open int.	267,675	
Total daily turnover	48,419	

ALUMINIUM ALLOY ($ per tonne)

	Cash	3 mths
Close	1495-00	1500-2
Previous	1497-02	1505-10
High/low		1506/1500
AM Official	1499-02	1502-5
Kerb close		1505-10
Open int.	2,904	
Total daily turnover	781	

LEAD ($ per tonne)

	Cash	3 mths
Close	559-60	576-77
Previous	561-62	578-79
High/low		581/575
AM Official	562-63	579-80
Kerb close		581-2
Open int.	41,279	
Total daily turnover	4,273	

NICKEL ($ per tonne)

	Cash	3 mths
Close	6060-70	6155-60
Previous	6136-45	6230-40
High/low		6220-6045
AM Official	6080-85	6175-80
Kerb close		6210-20
Open int.	58,669	
Total daily turnover	17,699	

TIN ($ per tonne)

	Cash	3 mths
Close	5175-85	5250-60
Previous	5190-200	5270-80
High/low		5330/5180
AM Official	5160-70	5237-40
Kerb close		
Open int.	19,158	
Total daily turnover	3,364	

ZINC, special high grade ($ per tonne)

	Cash	3 mths
Close	949.5-50.5	973-74
Previous	952.5-3.5	976.5-77.5
High/low		979/966
AM Official	954-55	977.5-78
Kerb close		976-7
Open int.	104,784	
Total daily turnover	17,971	

COPPER, grade A ($ per tonne)

	Cash	3 mths
Close	2377-78	2396-97
Previous	2460-61	2477-78
High/low		2460/2390
AM Official	2388.5-89.5	2408.5-7.5
Kerb close		2407-8
Open int.	234,576	
Total daily turnover	[illegible]	

LME AM Official £/$ rate: 1.5416
LME Closing £/$ rate: 1.5402

Spot:1.5420 3 mths:1.5407 6 mths:1.5401 9 mths:1.5383

HIGH GRADE COPPER (COMEX)

	Close	Day's change	High	Low	Open Int	Vol
Jul	109.50	-1.25	110.10	107.40	3,311	463
Aug	109.75	[illegible]	109.75	[illegible]	701	12
Sep	110.20	-1.15	[illegible]	[illegible]	35,912	5,736
Oct	109.75	-1.10	-	-	322	4
Nov	109.20	-1.10	-	-	246	-1
Dec	108.70	-1.05	[illegible]	108.80	8,101	[illegible]
Total					64,614	[illegible]

PRECIOUS METALS

LONDON BULLION MARKET
[illegible] supplied by N M [illegible]

Gold (Troy oz.)	$ price	£ equiv.
Close	384.00-384.40	
Opening	384.30-384.70	
Morning fix	383.90	248.608
Afternoon fix	383.00	249.268
Day's High	384.80-385.00	
Day's Low	382.50-382.90	
Previous close	384.25-384.75	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	4.11	6 months	4.50
2 months	4.21	12 months	5.06
3 months	4.29		

Silver Fix	p/troy oz.	US cts equiv.
Spot	340.15	524.00

Precious Metals continued

GOLD COMEX (100 Troy oz.; $/troy oz.)

[illegible]

PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

[illegible]

PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

[illegible]

SILVER COMEX (100 Troy oz.; Cents/troy oz.)

[illegible]

ENERGY

CRUDE OIL NYMEX (42,000 US galls. $/barrel)

[illegible]

CRUDE OIL IPE ($/barrel)

[illegible]

HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

[illegible]

GAS OIL IPE ($/tonne)

[illegible]

NATURAL GAS NYMEX (10,000 mmBtu.; $/mmBtu)

[illegible]

UNLEADED GASOLINE NYMEX (42,000 US galls.; c/US galls.)

[illegible]

GRAINS AND OIL SEEDS

WHEAT LCE (£ per tonne)

[illegible]

WHEAT CBT (5,000bu min; cents/60lb bushel)

[illegible]

MAIZE CBT (5,000 bu min; cents/56lb bushel)

[illegible]

BARLEY LCE (£ per tonne)

[illegible]

SOYABEANS CBT (5,000bu min; cents/60lb bushel)

[illegible]

SOYABEAN OIL CBT (60,000lbs; cents/lb)

[illegible]

SOYABEAN MEAL CBT (100 tons; $/ton)

[illegible]

POTATOES LCE (£/tonne)

[illegible]

FREIGHT (BIFFEX) LCE ($10/index point)

[illegible]

Wool

[illegible]

SOFTS

COCOA LCE (£/tonne)

[illegible]

COCOA CSCE (10 tonnes; $/tonnes)

[illegible]

COCOA (ICCO) (SDR's/tonne)

[illegible]

COFFEE LCE ($/tonne)

[illegible]

COFFEE 'C' CSCE (37,500lbs; cents/lbs)

[illegible]

COFFEE (ICO) (US cents/pound)

[illegible]

No7 PREMIUM RAW SUGAR LCE (cents/lbs)

[illegible]

WHITE SUGAR LCE ($/tonne)

[illegible]

SUGAR '11' CSCE (112,000lbs; cents/lbs)

[illegible]

COTTON NYCE (50,000lbs; cents/lbs)

[illegible]

ORANGE JUICE NYCE (15,000lbs; cents/lbs)

[illegible]

VOLUME DATA

[illegible]

INDICES

REUTERS (Base: 18/9/31=100)

[illegible]

CRB Futures (Base: 4/9/56=100)

[illegible]

MEAT AND LIVESTOCK

LIVE CATTLE CME (40,000lbs; cents/lbs)

[illegible]

LIVE HOGS CME (40,000lbs; cents/lbs)

[illegible]

PORK BELLIES CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Jul	36.025	+0.000	36.825	33.850	1,149	294
Aug	34.950	+0.950	35.000	33.000	4,600	1,593
Feb	42.700	+0.550	43.150	41.250	1,994	165
Mar	41.800	+0.875	42.725	41.600	69	23
May	43.550	+0.550	43.950	43.100	49	15
Jul	43.900	-0.700	44.200	43.500	25	1
Total					7,972	2,592

LONDON TRADED OPTIONS

Strike price $ tonne — Calls — — Puts —

ALUMINIUM (99.7%) LME	Sep	Dec	Sep	Dec
1500	65	99	49	66
1525	52	87	61	78
1550	42	75	76	91
COPPER (Grade A) LME	Sep	Dec	Sep	Dec
2300	162	170	30	72
2400	98	117	65	116
2500	56	77	120	174
COFFEE LCE	Sep	Nov	Sep	Nov
2500	713	787	120	169
2550	676	756	135	206
2600	646	725	152	227
COCOA LCE	Sep	Dec	Sep	Dec
975	57	96	36	67
1000	45	84	61	80
1050	27	64	86	110
BRENT CRUDE IPE	Aug	Sep	Aug	Sep
1650	73	85	2	36
1700	30	55	13	47
1750	4	32	32	-

LONDON SPOT MARKETS

CRUDE OIL FOB (per barrel/Oct) +or-

Dubai	$15.83-5.88q	-0.150
Brent Blend (dated)	$16.80-6.82	-0.110
Brent Blend (Aug)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

OIL PRODUCTS NWE prompt delivery CIF (tonne)

Premium Gasoline	[illegible]	
Gas Oil	[illegible]	-1
Heavy Fuel Oil	[illegible]	[illegible]
Naphtha	[illegible]	+1
Jet fuel	[illegible]	-1

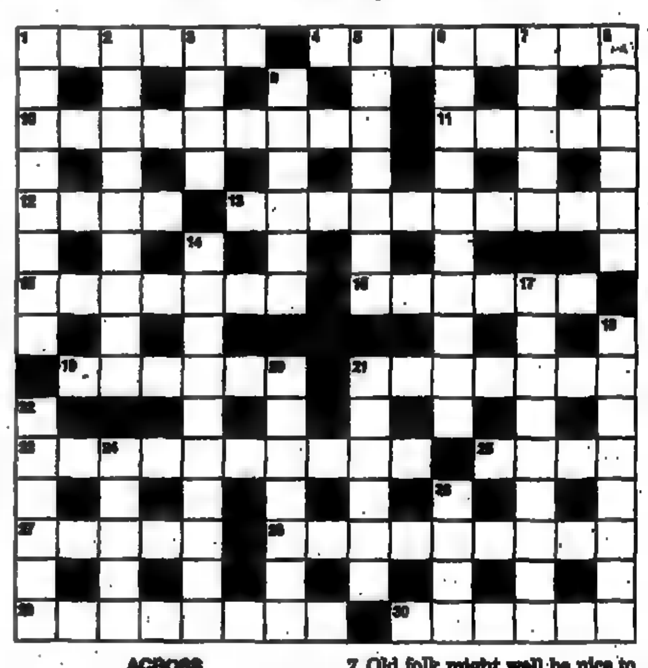
Petroleum Argus Estimates

OTHER

Gold (per troy oz)♣	$384.20	-0.30
Silver (per troy oz)♣	524.50c	-5.00
Platinum (per troy oz.)	$402.25	-5.10
Palladium (per troy oz.)	$143.00	-0.65
Copper (US prod.)	115.0c	-1.0
Lead (US prod.)	33.75c	
Tin (Kuala Lumpur)	13.43m	-0.20
Tin (New York)	242.50c	+0.50
Zinc (US Prime W.)	Unq.	
Cattle (live weight)†	120.84p	-1.03*
Sheep (live weight)†♣	99.64p	+3.31*
Pigs (live weight)	76.79p	-1.12*
Lon. day sugar (raw)	$297.7	+3.7
Lon. day sugar (wte)	$339.0	-1.5
Tate & Lyle export	£305.0	+3.0
Barley (Eng. feed)	£100.5z	
Maize (US No3 Yellow)	$143.5	
Wheat (US Dark North)	£180.0	
Rubber [illegible]	83.00p	+1.00
Rubber (Aug)♥	82.50p	+0.75
Rubber (KL RSS No1 Jul)	306.5m	+1.5
Coconut Oil (Phil)§	$615.0z	+5.0
Palm Oil (Malay.)§	477.5q	+12.5
Copra (Phil)§	$397	

CROSSWORD

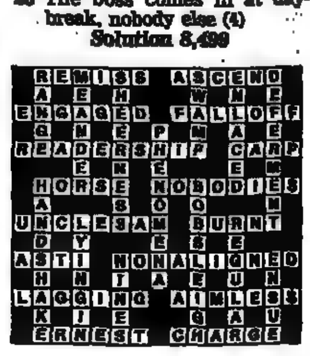
No. 8,500 [illegible] by VIXEN



ACROSS
1 Many can go out for a drink (6)
4 Hoarding hosiery? (8)
10 Outstanding swine coming to bad end, which is right (9)
11 Some youngsters cycle around unhindered (5)
12 Graduate in chief (4)
13 Not ideal, so may lead to ruin (10)
15 Answers for laboratory workers (7)
16 Smart deal! (6)
19 He'll have little alternative after turning "green" (6)
21 Duck or fish served in a vegetable container (7)
23 Fighting servicemen about to turn out to make a racket (10)
25 Joy's in the chorus (4)
27 Saw no catch brought back (5)
28 The order "Ride on" can create confusion (9)
29 Inadequately provided with boxes, see? (8)
30 The aim of protest (6)

DOWN
1 Cold remains – simple stuff (8)
2 The contestant involved in a dog trial (9)
3 A pound's enough for ecclesiastical attire (4)
5 Boring a man with acknowledgments of indebtedness (7)
6 A monster bird following by a second (10)
7 Old folk might well be nice to one (5)
8 Go round inflicting hurt (6)
9 Show warm feelings and be solicitous with some craft (6)
14 A foreign place – the cause of serious rows (10)
17 Venture that's left the French in the money (9)
18 A fan may be there and going wild (8)
20 About five hundred vote for this beast (7)
21 "The devil's walking — on all four-footed things" (Chesterton) (6)
22 Declines to give a sportsman points (6)
24 Taste a port in Tanzania (5)
26 The boss comes in at daybreak, nobody else (4)

Solution 8,499



JOTTER PAD

LONDON STOCK EXCHANGE

MARKET REPORT

Shares close firmly but volume still subdued

By Terry Byland,
UK Stock Market Editor

The UK stock market closed very firmly yesterday in spite of the general uncertainty ahead of the meeting of the G7 countries which opens this morning in Naples. Although encouraged as both the US Federal Open Market Committee and the Bundesbank made no move on their respective key interest rates, markets were worried that the G7 meeting might not bring sufficiently decisive action on the dollar.

The FT-SE 100 Index gained 17.7 on the day to close at 2,964.4. Shares opened easier but quickly rose to the day's peak of 2,968 on the Footsie after bond markets jumped on reports that a leading German banker had suggested that the Bundesbank might cut rates. The market cooled off when the German central bank said, following its regular policy meeting, that it was not moving its key rates.

While some traders warned that the Federal Reserve could still act on the payroll and unemployment numbers due today, most believed that markets will now be on hold until next week, when a statement from the [illegible] meeting is likely.

The underlying concern in the stock market is that, should the US dollar come under renewed pressure, the Fed might be forced to raise interest rates sharply and unilaterally. This would be likely to react sharply on the UK market, where fears of higher rates before the end of the year continue to hover in the background.

Early trading [illegible] by the sale of a 2.5 per cent stake in Royal Bank of Scotland as, in a deal worth around £80m, one fund unloaded its shares. This transaction helped to boost the day's Seaq volume total to 567.2m shares from the 506.2m of the previous session. But retail business on Wednesday was worth only £989.7m, confirming the fall in equity business ahead of the G7 talks. Retail business has this [illegible] dropped below the £1bn daily figure which had been established as an average total.

Non-Footsie business made up 53 per cent of yesterday's total, well [illegible] the usual proportion. At 3,454.7, the FT-SE Mid 250 Index gained 16.5 points.

Hopes that [illegible] rates will continue to fall slowly in Germany benefited shares in those building and construction [illegible] with activities in continental Europe. UK retail [illegible] showed optimism towards interest rate prospects, moving higher in fairly moderate turnover.

The international [illegible] chips edged higher, brushing off the continued weakness in the US dollar, in which their profits are earned.

Equity strategists remained fairly optimistic [illegible] market prospects for the third quarter but agreed that, with the bond market still clearly dominating sentiment, there can be little real progress until the G7 meeting has been completed and some solution found to the weakness of the US dollar. BZW, which has cut its year-end target for the FT-SE 100-share Index to 3,400 from its previous 3,600 target, warns against being "too dependent on the gilt-edged market".

The investment bank stands by its forecast of dividend growth of 10 per cent in the stock market this year, with similar growth likely in 1995.

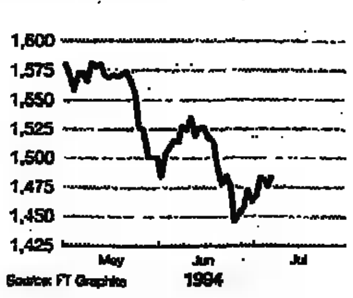
Kleinwort Benson Securities, which aims for a Footsie at 3,500 at the end of the year, believes that yield strength will be a significant driving force behind the London market. Inflation and interest [illegible] gloom, it comments, "appears overstated".

Account Dealing Dates

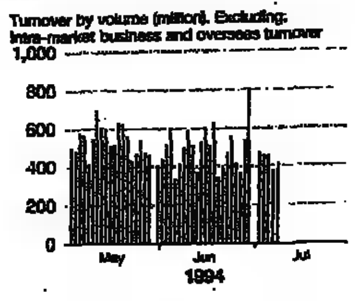
*First Dealings:		
Jun 20	Jul 4	Jul 18**
Option Declarations:		
Jun 30	Jul 14	Jul 28
Last Dealings:		
Jul 1	Jul 15	n/a
Account Day:		
Jul 11	Jul 25	n/a

*New time dealings may take place from two days earlier. **New 10-day settlement system starts

FT-SE-A All-Share Index



Equity Shares Traded



■ Key Indicators

Indices and ratios

FT-SE 100	2964.4	+17.7	FT Ordinary Index	[illegible]	+21.7
FT-SE Mid 250	3454.7	+16.5	FT-SE-A Non Fins p/e	18.78	(18.69)
FT-SE-A 350	1493.4	+8.5	FT-SE 100 Fut Sep	2970.0	+23.0
FT-SE-A All-Share	1483.05	+7.86	10 yr Gilt yield	[illegible]	[illegible]
FT-SE-A All-Share yield	3.97	(3.99)	Long gilt/equity yld ratio:	2.19	[illegible]

Best performing sectors

1	Building Materials	+2.3
2	Engineering, Vehicles	+2.0
3	Telecommunications	+1.9
4	Diversified Inds	+1.4
5	Merchant Banks	+1.3

Worst performing sectors

1	Water	-1.5
2	Insurance	-0.7
3	Retailers, Food	-0.7
4	Textiles & Apparel	-0.6
5	Banks	-0.4

Demerger hints lift Thorn

Leisure to electronics group Thorn EMI was one of the FT-SE 100's best performers as the market picked up hints of a bullish trading statement at Thorn's annual meeting next week. News of further disposals from the group's defence activities is also expected.

The market was also said to be increasingly optimistic about the chances of demerger for the company's two core businesses, music and rental. That move would almost certainly see Thorn shares accelerate as the market focused on the intrinsic value of its premium music production and publishing operations.

There have been strong rumours that the Thorn board is poised to discuss a potential demerger which, the [illegible] believes, [illegible] completed [illegible].

[illegible] Crosthwaite, the [illegible] broker, was a large buyer of Thorn EMI stock yesterday. Mr Brian Newman at Henderson puts a break-up value on Thorn EMI of between 1340p to 1420p and described the shares as a "strong buy".

At the close of business, Thorn EMI shares were 29 higher at 1,026p. Turnover was a hefty 2.1m.

Mirror benefits

Market whispers that the Sun might be preparing a retreat from its current [illegible] price [illegible] big lift to Mirror Group [illegible] shares.

Some traders said they understood that Mr Rupert Murdoch's flagship [illegible] was preparing to [illegible] its cover price by [illegible] International, the Sun's UK parent, flatly denied the talk but refused to comment on the length of time it intended to maintain its current stance.

However, media analysts said the move would make sense as the Sun had [illegible] its goal of boosting circulation [illegible] every [illegible] price [illegible] significant [illegible] profits. [illegible] that, assuming maintained circulation, each penny [illegible] knocks £13.1m off full-year profits, which came in [illegible].

Mirror Group was also helped by [illegible] Mercury Asset Management had raised its [illegible] in the company to 19.01 per [illegible] that forecasts for national advertising expenditure had risen sharply. The stock ended 7 [illegible] at 138p on significant turnover of 5m. News International slipped a penny to 228p.

RBOS bought deal

Big market action in Royal Bank of Scotland shares led to intense speculation that Smith New Court, one of the London market's most aggressive marketmakers, had taken on a block of 20m RBOS shares, equal to 2.5 per cent of RBOS's issued capital, via a bought deal and sought to place them in the market.

No details of the trade were forthcoming, but the Seaq ticker revealed that upwards of 15m shares had been placed in the market at 412p and that there was a strong possibility that the remaining stock was left with the securities house.

Talk that the stock had come from Schroders, the merchant bank, were dismissed by the market, but there were strong suggestions that Scottish Equitable, the investment institution, might be the seller. RBOS shares lost 8 at 418p.

Other banks eased as institutions reduced holdings in order to pick up what was seen by some fund managers as cheap stock. Lloyds [illegible] to 538p.

General Accident was again actively traded, the stock sliding 5 to 568p amid strong market rumours that one of the City's biggest agency [illegible] had tried in vain to place a [illegible] of 5m [illegible] in the insurance group, around 1.1 per cent of the issued capital, at 570p a share. There were also suggestions that the stock would be offered in the market this morning at [illegible] a share.

Other composites were [illegible] by talk that one big UK integrated house had published a bearish note on the [illegible] Royal slipped [illegible] to 246p.

Merchant banks [illegible] another strong performance, still boosted by the [illegible] buy note. Schroders, [illegible] announcing it was acquiring the [illegible] of Schroder Wertheim, the [illegible] bank, rose 14 to 1165p. Kleinwort Benson put on 15 to 457p, while Warburg added [illegible] at [illegible].

Profit taking saw Wellcome shares dip 7 to 601p.

Smith and Nephew consolidated recent outperformance on perception that the company has managed to avoid the margin pressures faced by more high profile rivals. The shares edged ahead to 141½p.

A buy [illegible] from [illegible] Fleming [illegible] continued to drive BT shares, [illegible] 10 [illegible] on heavy turnover of 10m. The partly-paids added [illegible] to 273p, on [illegible].

Media conglomerate Pearson, owner of the Financial Times, bounced 12 [illegible] sustained [illegible]. BZW said the shares were worth 620p in the short term and dealers said Goldman Sachs and Morgan Stanley were also recommending the stock.

Advertising agency Gold Greenlees Trott put on 5 at 182p after full year profits came in lower than the previous year's but above forecasts. Analysts were also heartened by new UK accounts won by the company.

GKN advanced 12 to 581p after James Capel reiterated a buy recommendation following news of a joint venture with Fiat. The broker [illegible] T & N, a penny ahead at 236p. Lucas Industries rose 8 to 182p after a favourable presentation at Credit Lyonnais Laing.

British Airways and airports group BAA power ahead after a Smith New Court recommendation and favourable passenger traffic figures. Shares in the former put on 9 to 412p, on volume of 7.6m, while the latter gained 15 to 918p, as 1.6m [illegible].

Volume in industrial group BTR [illegible] closed [illegible] ahead at [illegible] that the EC [illegible] fine on subsidiary Dunlop Slazenger.

Other big moves

USM-listed Learmonth & Burchett Management [illegible] fell [illegible] after announcing [illegible] rights [illegible] at 70p to raise about £2.3m and reporting a loss of £746,000 against a £1.6m profit the year before.

Bespak, the medical equipment manufacturer, fell 20 to 270p following Wednesday's profits tumble.

Computer services group P&P shed [illegible] after announcing an £8.6m rights [illegible] figures.

MARKET REPORTERS:
Peter John,
Joel Kibazo,
Steve Thompson.

■ Other statistics, Page 18

NEW HIGHS AND LOWS FOR 1994

NEW HIGHS (14).
DISTRIBUTORS (3) Cook (DC), Northamber, Wilshaw, ELECTRNC & ELECT EQUIP (2) Microvitec, Nokia Prf., ENG, VEHICLES (1) UPF, INVESTMENT TRUSTS (2) Intl. Biotech, Mezzanine Cap., LEISURE & HOTELS (1) Boosey & Hawkes, MEDIA (1) Avesco, OIL EXPLORATION & PROD (1) Bridge, OTHER SERVS & BUSNS (1) Great Southern, RETAILERS, GENERAL (1) World of Leather, SUPPORT SERVS (1) Hawtal Whiting.

NEW LOWS (102).
GILTS (2) BANKS (1) TSB, BREWERIES (1) Greene King, BUILDING & CNSTRN (3) Avonside, Cussins, Gleeson (MJ), BLDG MATLS & MCHTS (1) Tilon, CHEMICALS (2) Engelhard, Metrotect, DISTRIBUTORS (5) Casket, Enterprise Comp., Fife Indmar, Gardner, Headlam, DIVERSIFIED INDLS (2) BTR Nylex, Tomkins 6¾pc Prf., ELECTRNC & ELECT EQUIP (3) Hewlett-Packard, Kode Intl., Motorola, ENGINEERING (2) Richards, TransTec, ENG, VEHICLES (1) Sytone, EXTRACTIVE INDS (2) Hemlo, Petaling, FOOD MANUF (2) Grand Central, Kalazi, HEALTH CARE (6) Bespak, Goldsborough, Intercare, Quality Care Homes, Tepnel Diagnostics, Westminster, HOUSEHOLD GOODS (1) Silentnight, INSURANCE (7) Delian Lloyds, Hiscox Select, New London Cap., PWS, Premium Underwriting, Syndicate Cap., USF&G, INVESTMENT TRUSTS (15) INVESTMENT COMPANIES (3) Guangdong Dev., JF Pacific Wrts., Latin American Extra Yield, LEISURE & HOTELS (4) Allied Leisure, Barr & Wallace Arnold, Groupe Chez Gerard, Rank, MEDIA (2) News, Phonelink, MERCHANT BANKS (1) Rea Bros., OIL EXPLORATION & PROD (1) Coplex, OTHER FINANCIAL (3) Cater Allen, Strategem, Tyndall Australia, OTHER SERVS & BUSNS (1) General Motors Ltd., PHARMACEUTICALS (1) Celltech, PRTNG, PAPER & PACKG (2) Field, Sidlaw, PROPERTY (2) Chesterfield, Dwyer, RETAILERS, FOOD (3) Geest, Kwik Save, M & W, RETAILERS, GENERAL (2) Courts, Lloyds Chemists 7¼pc Prf., SPIRITS, WINES & CIDERS (1) Guinness, SUPPORT SERVS (6) Johnson Cleaners, Learmonth & Burchett, Macro 4, Mitye, Parity, Waterman Partnership, TELECOMMUNICATIONS (2) Cable & Wireless, Do 7pc Cnv. 2008, TEXTILES & APPAREL (5) Claremont Garments, Coats Viyella, Gent (SR), PBX, Usher (F), TRANSPORT (1) Norish, WATER (2) Chesm A, Do B, AMERICANS (3) Amdahl, Bankers NY, Time Warner, CANADIANS (1).

EQUITY FUTURES AND OPTIONS TRADING

Light bargain hunting and increased stability in bond and currency markets brought an advance to stock index futures, although volume remained modest, *writes Joel Kibazo*.

After an initial setback in the September contract on the FT-SE 100 which saw it fall to 2,934 in the first half-hour of trading, the contract moved steadily ahead for most of the day.

A successful French bond auction boosted both European bond and gilt markets, encouraging buying of the September contract. Its advance helped to pull the underlying cash market higher.

The decision by the Bundesbank to make no change to its key [illegible] had no impact on trading, although uncertainty surrounding the dollar [illegible].

The firm opening on Wall Street brought further buying and September climbed to a day's high of [illegible]. It closed at 2,970, up 23 from the previous [illegible] and at a 5-point premium to cash. Volume, at 11,746, showed a slight improvement.

Turnover in the traded options returned to a low level, totalling only 26,588 lots. The day's [illegible] in the index options brought business of [illegible] in the FT-SE 100 option and 3,217 in the Euro FT-SE. GEC was the busiest stock option, having 1,431 contracts transacted.

■ FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point (APT)

	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Est. vol	Open int.
Sep	2947.0	[illegible]	+23.0	[illegible]	2934.0	11746	50112
Dec		2978.5	+23.0			0	952

■ FT-SE MID 250 INDEX FUTURES (LIFFE) £10 per full index point

Sep		3456.0	+15.0			0	[illegible]

■ FT-SE MID 250 INDEX FUTURES (OMLX) £10 per full index point

Sep		[illegible]					536

All open interest figures are for previous day. † Exact volume shown.

■ FT-SE 100 INDEX OPTION (LIFFE) (*2966) £10 per full index point

	2800		2850		2900		2950		3000		3050		3100		[illegible]	
	C	P	C	P	C	P	C	P	C	P	C	P	C	P	C	P
Jul	169½	3½	120½	4½	77	11	42	25½	17	55	8½	98	2½	142½	1	191½
[illegible]	189½	24	150½	35	118	40½	85½	70½	59½	95	39½	125½	28	161½	14½	201
Sep	209½	39½	173	53	[illegible]	[illegible]	108	87½	80	110½	60½	139½	42	172	29	209
Oct	[illegible]	55½	180	65	155	82½	128½	108½	103	131	83½	161	64	191½	51	229
Dec†	[illegible]	72½			185½	105½			131½	153½			86	[illegible]		

Calls 4,539 Puts 3,352

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

	2775		[illegible]		2875		2925		2975		3025		3075		3125	
Jul	199½	2½	[illegible]	4	98½	8	[illegible]	17½	27	39	9½	72	2½	114½	1	182½
Aug	267½	17½	[illegible]	27½	131½	[illegible]	[illegible]	38½	72	81	50	108½	33	[illegible]	28½	[illegible]
Sep			[illegible]	[illegible]			122	77½			69½	124			33½	[illegible]
Dec			[illegible]	[illegible]			170½	118½			116	163½			79½	[illegible]
Mar†			266	[illegible]			205	139½			158½	184½			113½	236

Calls 1,787 Puts [illegible] * Underlying index value. Premiums shown are based on settlement prices.
† Long dated [illegible] months.

■ EURO STYLE FT-SE MID 250 INDEX OPTION (OMLX) £10 per full index [illegible]

	3300	3350	3400	3450	3500	3550	3600	3650
Jul		115 5	74 14	42 32	20½ 50			

Calls 0 Puts 0 Settlement prices and volumes are taken at 4.30pm.

TRADING VOLUME

■ Major Stocks Yesterday

	[illegible]	[illegible] price	[illegible] change
ASDA Group†	[illegible]	[illegible]	[illegible]
Abbey National†	2,100	[illegible]	-3
Albert Fisher	330	[illegible]	
Allied-Lyons†	3,300	580	+4
Anglian Water	349	481	-8
Argos	850	349½	[illegible]
Argyll Group†	4,900	236	[illegible]
Arjo Wiggins†	770	271	+6
Assoc. Brit. Foods†	81	527	[illegible]
Assoc. Brit. Ports	710	262	
BAA†	1,800	918	+15
[illegible] Inds†	[illegible]	[illegible]	
[illegible]	1,800	105	[illegible]
BICC	724	365	
BOC†	[illegible]	[illegible]	+6
BP†	8,800	399½	+1
BPB Inds.	2,000	318	[illegible]
BT†	10,000	393	
BT (P/Paid)	5,900	273	+6½
BTR†	5,300	372	+3
[illegible] of [illegible]	[illegible]	[illegible]	+1
Barclays†	4,800	529	+1
Bass†	2,000	517	+2
Blue Circle†	3,800	[illegible]	[illegible]
Booker	381	[illegible]	
Boots†	1,700	539	+6
Bowater†	1,100	443	
Brit. Aerospace†	1,800	467	[illegible]
British Airways†	7,800	412	+9
British Gas†	4,800	272	[illegible]
British Land	[illegible]	[illegible]	[illegible]
British Steel†	4,700	[illegible]	+1½
Bunzl	455	188	[illegible]
Burmah Castrol†	149	[illegible]	+1
Burton	[illegible]	[illegible]	[illegible]
Cable & Wire†	[illegible]	[illegible]	+2
Cadbury Schweppes†	3,300	419	-7
Calor Group	16	274	+1
Caradon†	1,000	282	+8
[illegible]	1,800	829	+27
[illegible]	3,100	[illegible]	-3½
Comm. [illegible]	1,100	[illegible]	
Cookson	812	228	[illegible]
[illegible]	739	500	[illegible]
Dalgety	191	430	
De La Rue†	[illegible]	910	+1
[illegible]	2,900	185	-4
[illegible] Elect.	101	605	-1
East Midland Elect.	111	[illegible]	
Eng China Clays	1,000	327	+2
Enterprise Oil†	1,200	389	+6½
Eurotunnel Units	285	[illegible]	-2
FKI	109	173	
Fisons	1,100	138	+1
Foreign & Col. I.T.	667	151	[illegible]
Forte†	3,700	224	
Gen. Accident†	1,000	[illegible]	-5
General Elect.†	13,000	[illegible]	+4½
Glaxo†	4,400	[illegible]	[illegible]
Glynwed	149	339	
Granada†	3,200	502	+6
Grand Met.†	[illegible]	407	+6
[illegible]	1,000	555	+4
[illegible]	1,400	178	-1
[illegible]	1,100	581	+12
Guinness†	1,800	430	-1
HSBC (75p shs)†	[illegible]	674	-4½
Hammerson	8	361	+2
Hanson†	14,000	248½	[illegible]
Harrisons Crosfield	63	[illegible]	
Hays	234	260	+1
Hillsdown	3,300	159½	[illegible]
IMI	378	298	-1
ICI†	2,800	771	
Inchcape†	[illegible]	436	
Johnson Matthey	60	510	+6
Kingfisher†	[illegible]	518	+8
Kwik Save	[illegible]	525	[illegible]
Ladbroke†	[illegible]	167½	+2½
Land Securities†	[illegible]	665½	+6½
Laporte	811	720	[illegible]
Legal & General†	[illegible]	[illegible]	-1
Lloyds Abbey	[illegible]	[illegible]	-3
Lloyds Bank†	[illegible]	538	[illegible]
LASMO	[illegible]	[illegible]	-5
London Elect.	809	[illegible]	[illegible]
Lonrho	2,800	[illegible]	+1½
Lucas	2,000	182	+8
MEPC†	369	450	+6
MFI	2,800	154	+4
Manweb	59	670	
[illegible]	[illegible]	[illegible]	+8
[illegible]	[illegible]	[illegible]	-8
Morrison (Wm)	[illegible]	116	-1
NFC†	[illegible]	169½	+½
NatWest Bank†	10,000	436	[illegible]
National Power†	[illegible]	[illegible]	[illegible]
Next	[illegible]	[illegible]	+1
North West Water†	159	495	-5
Northern Elect.	737	652	-1
Northern Foods†	[illegible]	205	-1
Norweb	361	623	-1
Pearson†	1,600	582	+12
P & O†	614	594	+8
Pilkington	1,100	173	+2
PowerGen†	1,400	488	[illegible]
Prudential†	2,900	293	-1
RMC†	797	901	+33
RTZ†	1,900	825	[illegible]
Racal	2,100	233½	+6½
[illegible]†	2,100	398	[illegible]
[illegible] Colman†	235	581	[illegible]
Redland†	1,800	515	+12
Reed Intl.†	[illegible]	757	+7
Rentokil†	710	225	+6
Reuters†	2,200	461	+1
Rolls Royce†	3,200	186	+2
Ryl Bk Scotland†	16,000	418	-8
Royal Insurance†	2,200	246	-5
Sainsbury†	4,000	388	[illegible]
Schroders	105	[illegible]	+14
Scottish & New.†	834	504	+8
Scot. Hydro-Elect.	1,200	340	-1
[illegible] Power†	[illegible]	352	
Sears†	2,100	114	
Sedgwick	1,800	[illegible]	-1
Seeboard	1,000	[illegible]	-7
Severn Trent†	249	493	-11
Shell Transport†	4,100	694	+1
[illegible]	830	570	[illegible]
[illegible] Ests	561	239	+4
[illegible] (W.H.) A	2,000	462	+3
Smith & Nephew†	1,800	141½	+¼
[illegible] Beecham†	2,700	405	+3
[illegible] Beecham Uts.†	2,100	384	+1
Smiths Inds.	1,200	441	-1
Southern Elect.†	309	[illegible]	-1
South [illegible] Elect.	213	622	[illegible]
South West Water	732	[illegible]	[illegible]
South West. Elect.	[illegible]	695	
Southern Water	115	489	-11
Standard Chartd.†	[illegible]	[illegible]	[illegible]
Storehouse	146	211	
Sun Alliance†	1,800	306	[illegible]
T&N	[illegible]	236	+1
TI Group†	[illegible]	354	+2
TSB†	972	198	-1
Tarmac	1,400	154	[illegible]
Tate & Lyle	75	400	
Taylor Woodrow	16	132	+1
Tesco†	5,800	215	-1
Thames Water†	1,400	450½	-3½
Thorn EMI†	2,100	[illegible]	+28
Tomkins†	2,500	[illegible]	+1½
Trafalgar House	3,400	[illegible]	-½
Unigate	143	[illegible]	-1
Unilever†	633	[illegible]	[illegible]
United Biscuits†	1,900	313	-5
Utd. Newspapers	194	521	+2
Vodafone†	[illegible]	525	+4
Warburg (SG)†	560	[illegible]	+9
Wellcome†	1,200	[illegible]	-7
[illegible] Water	188	580	-19
Wessex Water	231	595	[illegible]
Whitbread†	398	501	[illegible]
Williams Hldgs.†	1,900	342	+7
Willis Corroon	172	148	
Wimpey	151	175	+4
[illegible]†	[illegible]	[illegible]	[illegible]
[illegible] Elect.	172	584	
Yorkshire Water	254	471	-5
Zeneca†	1,100	735	-2

[illegible] on trading volume for a selection of major [illegible] dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down. † Indicates an FT-SE 100 Index constituent.

FT - SE Actuaries Share Indices — The UK Series

	Jul 7	Day's chge%	Jul 6	Jul 5	Jul 4	Year ago	Div. yield%	Earn. yield%	P/E ratio	Xd adj. ytd	Total Return
FT-SE 100	[illegible]	[illegible]	[illegible]	2965.0	[illegible]	2845.9	4.17	[illegible]	16.70	[illegible]	[illegible]
FT-SE Mid 250	[illegible]	+0.5	3439.2	3435.8	3430.4	3226.4	[illegible]	5.85	20.22	58.09	[illegible]
FT-SE Mid 250 ex Inv Trusts	3458.6	[illegible]	[illegible]	3438.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	60.26	[illegible]
FT-SE-A 350	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	28.66	[illegible]
FT-SE SmallCap	[illegible]	....	1777.55	1779.16	1778.79	[illegible]	[illegible]	4.25	[illegible]	23.88	[illegible]
FT-SE SmallCap ex Inv Trusts	[illegible]	....	1755.37	1757.12	1756.98	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FT-SE-A ALL-SHARE	[illegible]	+0.5	1475.19	1481.61	1483.03	1411.46	3.97	[illegible]	[illegible]	25.93	[illegible]

■ FT-SE Actuaries All-Share

	Jul 7	Day's chge%	Jul [illegible]	Jul 5	Jul 4	Year ago	Div. yield%	Earn yield%	P/E ratio	Xd adj. ytd	Total Return
10 MINERAL EXTRACTION(18)	[illegible]	[illegible]	[illegible]	[illegible]	2597.21	[illegible]	3.52	4.55	27.82	37.93	1024.26
12 Extractive Industries(4)	3703.79	+0.5	3685.61	3724.30	3744.25	3157.60	[illegible]	[illegible]	22.99	43.39	[illegible]
15 [illegible]	[illegible]	+0.2	2527.87	2543.20	2551.80	2067.20	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16 Oil Exploration & Prod(11)	[illegible]	-0.1	[illegible]	[illegible]	1858.45	[illegible]	2.61	1.24	80.00†	[illegible]	1063.58
20 GEN MANUFACTURERS(264)	[illegible]	+1.1	1912.05	[illegible]	[illegible]	[illegible]	[illegible]	4.74	[illegible]	32.78	975.21
21 Building & [illegible]	[illegible]	[illegible]	1150.40	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Building Matls & [illegible]	[illegible]	+2.3	1901.18	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23 Chemicals(22)	[illegible]	[illegible]	[illegible]	2339.50	2342.67	[illegible]	[illegible]	4.11	[illegible]	[illegible]	1027.40
[illegible] Industrials(16)	[illegible]	+1.4	1908.86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	26.61	[illegible]	[illegible]
25 [illegible] & Elect [illegible]	[illegible]	+1.1	[illegible]	[illegible]	1920.30	[illegible]	[illegible]	[illegible]	17.63	[illegible]	[illegible]
[illegible] Engineering(70)	[illegible]	[illegible]	[illegible]	[illegible]	1785.02	[illegible]	[illegible]	[illegible]	[illegible]	28.46	1022.38
[illegible] Vehicles[illegible]	[illegible]	+2.0	2222.38	2228.12	2202.57	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] Printing, Paper & Pckg(28)	[illegible]	+0.1	[illegible]	2739.46	2746.66	2272.00	3.06	5.24	[illegible]	[illegible]	1069.28
29 Textiles & Apparel(20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1793.80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
30 CONSUMER [illegible]	2572.33	+0.3	2564.90	2573.88	2572.88	2625.10	[illegible]	[illegible]	[illegible]	[illegible]	876.62
[illegible] Breweries(17)	[illegible]	+0.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] & [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2704.39	[illegible]	[illegible]	7.17	18.17	[illegible]	[illegible]
33 Food Manufacturers(23)	[illegible]	[illegible]	[illegible]	2138.82	2141.07	2230.90	[illegible]	8.24	[illegible]	[illegible]	897.00
[illegible]	2395.85	[illegible]	2381.03	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	41.72	854.05
[illegible] Health [illegible]	[illegible]	+0.2	[illegible]	[illegible]	[illegible]	[illegible]	3.11	3.22	63.90	25.71	908.60
[illegible]	[illegible]	+0.2	[illegible]	[illegible]	2794.13	2882.80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
38 Tobacco(1)	3398.88	....	3338.88	3360.80	3385.00	3628.60	6.31	10.20	11.19	102.35	743.50
40 SERVICES(220)	1882.26	+0.7	[illegible]	[illegible]	1879.35	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 Distributors(31)	[illegible]	+0.5	2607.29	2618.98	2619.31	[illegible]	[illegible]	6.58	[illegible]	[illegible]	901.32
42 Leisure & Hotels(24)	2016.23	+1.1	[illegible]	2003.15	2015.53	[illegible]	3.63	4.90	[illegible]	[illegible]	982.63
43 Media(36)	[illegible]	[illegible]	2741.76	2746.09	2738.64	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	955.43
44 Retailers, Food(17)	[illegible]	-0.7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12.15	32.67	[illegible]
45 Retailers, General(45)	[illegible]	[illegible]	[illegible]	[illegible]	1645.14	[illegible]	[illegible]	[illegible]	[illegible]	25.70	[illegible]
48 Support Services(40)	[illegible]	+1.3	1489.82	[illegible]	1500.38	[illegible]	[illegible]	8.24	[illegible]	[illegible]	[illegible]
49 Transport(16)	2292.06	+1.2	2265.06	2245.14	2232.89	2041.30	3.68	[illegible]	21.17	31.86	[illegible]
51 Other Services & Business(9)	[illegible]	+0.2	[illegible]	1146.44	[illegible]	1211.40	[illegible]	[illegible]	[illegible]	[illegible]	978.89
60 UTILITIES(36)	[illegible]	[illegible]	2194.46	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	14.41	[illegible]	[illegible]
62 Electricity(17)	2129.94	....	2130.88	[illegible]	[illegible]	[illegible]	[illegible]	11.42	[illegible]	32.67	868.91
64 Gas Distribution(2)	[illegible]	+1.3	1785.21	1784.71	1810.30	[illegible]	[illegible]	‡	‡	53.43	828.20
66 Telecommunications(4)	1981.22	+1.9	[illegible]	1931.46	1928.06	[illegible]	4.17	[illegible]	15.52	8.50	[illegible]
68 Water(13)	1653.91	-1.5	[illegible]	1657.78	1663.38	[illegible]	[illegible]	14.20	7.71	52.82	825.20
69 NON-FINANCIALS(635)	[illegible]	+0.7	1595.05	1600.83	[illegible]	1519.17	3.87	6.41	18.78	26.96	1123.60
70 FINANCIALS(104)	2075.94	-0.1	[illegible]	[illegible]	2096.00	2057.60	4.35	[illegible]	13.00	48.73	814.48
71 Banks(10)	[illegible]	-0.4	2645.52	[illegible]	2702.01	[illegible]	4.12	[illegible]	12.20	59.07	780.57
73 Insurance(17)	[illegible]	-0.7	1212.93	1207.30	[illegible]	1410.20	5.36	11.97	[illegible]	29.30	814.71
74 Life Assurance(6)	2293.22	-0.1	2295.10	2304.28	2287.57	2611.00	[illegible]	7.93	15.49	88.38	870.57
75 Merchant Banks(6)	2716.10	+1.3	[illegible]	[illegible]	[illegible]	[illegible]	3.69	12.16	[illegible]	[illegible]	[illegible]
77 Other Financial(24)	[illegible]	+0.4	1758.16	1754.01	1752.83	1548.60	[illegible]	8.30	14.39	[illegible]	[illegible]
79 Property(41)	1546.79	[illegible]	1538.35	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	32.22	27.98	882.13
80 INVESTMENT TRUSTS(123)	[illegible]	[illegible]	2648.02	[illegible]	2653.16	2355.40	2.26	1.93	[illegible]	30.00	888.22
89 FT-SE-A ALL-SHARE(862)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1411.46	[illegible]	[illegible]	17.84	25.93	1155.37

■ Hourly movements

	Open	9.00	10.00	11.00	12.00	13.00	[illegible]	15.00	16.10	[illegible]	Low/day
FT-SE [illegible]	[illegible]	2942.7	2953.6	2961.5	2964.7	2963.9	2964.6	2963.2	2965.6	2968.0	2940.2
FT-SE Mid 250	[illegible]	[illegible]	[illegible]	3450.6	[illegible]	3453.9	3454.2	3454.1	[illegible]	[illegible]	[illegible]
FT-SE-A 350	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1492.9	[illegible]	1494.6	[illegible]

Time of FT-SE 100 High 3.53pm Low 8.50am

■ FT-SE Actuaries 350 Industry baskets

	[illegible]	9.00	10.00	11.00	12.00	[illegible]	14.00	[illegible]	16.10	[illegible]	Previous	Change
Bldg [illegible]	[illegible]	[illegible]	1101.4	1103.1	1106.0	1112.7	1113.0	1112.7	1110.6	[illegible]	[illegible]	+12.7
Pharmaceuticls	2782.0	[illegible]	[illegible]	2789.6	2789.3	2789.0	2791.5	[illegible]	2787.8	2786.9	2782.2	+4.7
Water	1677.7	1670.5	[illegible]	[illegible]	[illegible]	1658.3	[illegible]	[illegible]	[illegible]	[illegible]	1677.5	-26.3
Banks	[illegible]	2665.2	2666.0	[illegible]	2671.6	2669.3	[illegible]	[illegible]	[illegible]	2668.5	2678.4	-9.9

Additional information on the FT-SE Actuaries Share Indices is published in Saturday issues. Lists of constituents are available from The Financial Times Limited, One Southwark Bridge, London SE1 9HL. The FT-SE Actuaries Share Indices Service, which covers a range of electronic and paper-based products relating to these indices, is available from FINSTAT at the same address.
The FT "500" has been renamed FT-SE-A Non-Financials Index. The FT-SE 100, the FT-SE Mid 250, FT-SE Actuaries 350 and the FT-SE Actuaries Industry baskets are calculated by the International Stock Exchange of the United Kingdom and Republic of Ireland and the FT-SE Actuaries [illegible] Index is compiled by The Financial Times Limited, both in conjunction with the Institute of Actuaries and the Faculty of Actuaries under a standard set of ground rules.

"FT-SE" and "Footsie" are joint trade marks and service marks of the London Stock Exchange and The Financial Times Limited. The FT-SE Actuaries Share Indices are audited by The WM Company. † Sector P/E ratios greater than 80 are not shown. ‡ Values are negative.

LONDON EQUITIES

LIFFE EQUITY OPTIONS

Option		Calls Jul	Calls [illegible]	Calls Jan	Puts Jul	Puts Oct	Puts Jan
Allied-Lyons	540	20½	37½	–	8	20½	–
(*549)	580	3	15½	–	43½	49	–
Argyll	220	16½	27	31½	2	7½	[illegible]
(*236)	240	[illegible]	16½	20½	10½	16½	22
ASDA	50	8	7½	[illegible]	[illegible]	3½	[illegible]
(*55)	60	1½	3½	[illegible]	[illegible]	9½	11
Brit Airways	390	27	41½	46	[illegible]	13	[illegible]
(*412)	420	[illegible]	[illegible]	32	18	28½	33
[illegible] A	390	23	34	43½	5	18	25
[illegible]	420	6½	[illegible]	28½	19½	33½	[illegible]
Boots	[illegible]	[illegible]	[illegible]	34	2	8½	[illegible]
[illegible]	550	[illegible]	[illegible]	[illegible]	18	29	36
BP	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(*397)	390	8½	23	28	11½	22	27
British Steel	[illegible]	10	17	26½	2½	7	[illegible]
(*148)	160	2	7½	[illegible]	13½	17½	20½
[illegible]	500	24	[illegible]	[illegible]	5½	16	30½
(*517)	550	[illegible]	[illegible]	[illegible]	[illegible]	44	60
Cable & Wire	390	18	–	–	7½	–	–
(*399)	425	4	–	–	31½	–	–
[illegible]	460	44½	57½	66½	[illegible]	[illegible]	[illegible]
(*495)	500	[illegible]	[illegible]	[illegible]	11	[illegible]	33
Comm Union	500	36	47	56	2	16	21
(*531)	550	6½	17½	30	23	43½	46
ICI	750	31	48½	65	7½	26½	37
(*771)	800	7½	26	41	36	58½	65
Kingfisher	500	26½	36	52	[illegible]	[illegible]	27
(*516)	550	4½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Secur	650	16½	38	46½	11	21½	30
(*656)	700	3	13½	24	49	52½	59½
Marks & S	390	18½	[illegible]	33½	[illegible]	10½	17
(*404)	420	4½	[illegible]	[illegible]	[illegible]	25½	32½
NatWest	420	23	33	43	6	[illegible]	22
(*436)	460	4½	16	24½	28½	42	45
Sainsbury	390	32	43½	50	3½	9½	16½
(*[illegible])	[illegible]	[illegible]	25½	32	[illegible]	21	30
Shell Trans.	650	[illegible]	58½	[illegible]	1½	13½	19
(*694)	700	[illegible]	[illegible]	[illegible]	15	33½	38½
Storehouse	200	14½	32	29	2½	7½	11
(*211)	220	3½	11	[illegible]	12½	17½	22
Trafalgar	70	8	–	–	2½	–	–
(*64)	80	3	–	–	6½	–	–
Unilever	950	48	73	84	4½	18	25½
(*989)	1000	14	46	57	23	38½	46½
Zeneca	700	43	57	69	[illegible]	[illegible]	27
(*738)	750	11	28½	43	23½	44½	52
Option		Aug	Nov	Feb	Aug	Nov	Feb
Grand Met	390	25½	40½	46	6½	[illegible]	23
(*406)	420	10½	24½	32	[illegible]	[illegible]	[illegible]
Ladbroke	140	21½	[illegible]	[illegible]	[illegible]	[illegible]	8
(*157)	160	7½	15	19½	8½	14½	17
Utd Biscuits	300	21	30	36½	6	14½	17½
(*312)	330	8	15½	22½	21½	31½	34½
Option		Sep	Dec	Mar	Sep	Dec	Mar
Fisons	130	[illegible]	[illegible]	23	7	12	14½
(*137)	140	11	14	17½	12	17	19½
Option		Aug	Nov	Feb	Aug	Nov	Feb
Brit Aero	[illegible]	[illegible]	51	64½	17	38½	47½
(*[illegible])	500	10½	[illegible]	47	41½	[illegible]	59½
BAT Inds	390	18½	30½	38½	14½	23½	28½
[illegible]	420	6½	[illegible]	[illegible]	37	42½	45
BTR	360	20½	29½	37½	6	15	19
(*372)	390	5½	15	23½	22	32	35½
[illegible] Telecom	390	11	20½	26	15½	22½	30
(*393)	420	3½	9½	14½	40½	43½	49½
Cadbury Sch	390	34½	44	50½	[illegible]	11	13½
[illegible]	420	14	28	33½	13	24	27
Eastern Elec	600	16½	35½	48½	29	42½	51½
(*603)	650	3½	[illegible]	28½	70	77	84
Guinness	420	21	33	41	7½	18	21½
(*430)	[illegible]	4	14	22	33	43	[illegible]
[illegible]	[illegible]	16½	22	23½	5	[illegible]	14
(*274)	[illegible]	[illegible]	12	13½	[illegible]	22½	25

Option		Calls Aug	Calls Nov	Calls Feb	Puts Aug	Puts Nov	Puts Feb
[illegible]	240	16½	[illegible]	20½	[illegible]	[illegible]	18
(*243)	260	8	8½	12	[illegible]	24½	27½
Lasmo	134	6½	13	–	6½	11½	–
(*[illegible])	[illegible]	1½	5½	–	22½	25	–
Lucas Inds	[illegible]	9	[illegible]	19½	7½	18	16½
(*180)	200	3½	6½	12	22½	30	32
P & O	[illegible]	28*	43	55½	[illegible]	43	50½
[illegible]	700	7½*	22	36	54	74½	81½
Pilkington	160	16½	22	24½	2½	6	9½
(*172)	180	5	11	14	11½	16½	20½
Prudential	280	19½	26½	31	5½	13	[illegible]
[illegible]	300	6	16	21	14½	24	25½
RTZ	[illegible]	43	65½	81	13	32	39½
(*825)	850	18	41	56	37½	59	65
Redland	500	27½	43½	52½	11	26	31½
(*[illegible])	550	6	19½	30	41	57	[illegible]
[illegible] Insce	240	14½	23½	29	6½	17	18
[illegible]	260	5	14	18½	18½	28½	29½
[illegible]	200	[illegible]	25	30	2½	8	11½
(*215)	220	6½	13	18	11	17½	21
Vodafone	500	36	58½	64	7½	[illegible]	28
[illegible]	550	10½	20	39	33½	47	55½
Williams	325	22½	30½	–	4	12	–
(*341)	354	8	15½	–	18	27½	–
Option		Jul	Oct	Jan	Jul	Oct	Jan
BAA	900	30½	57½	[illegible]	[illegible]	28	35½
(*917)	950	7	32	[illegible]	[illegible]	[illegible]	62
Thames Wr	420	36	47	50½	[illegible]	8½	15½
(*[illegible])	460	[illegible]	22	27	17	24	34½
Option		Sep	Dec	Mar	Sep	Dec	Mar
[illegible]	390	21	29	37½	17½	23	31
[illegible]	420	9	16	24	38	41½	49
[illegible]	25	[illegible]	6	7	2	3	4
(*27)	30	[illegible]	4	6	[illegible]	[illegible]	6½
Barclays	500	43½	54	63½	14½	20½	29
(*530)	550	16½	29	37½	40½	47	55½
Blue Circle	[illegible]	27	33½	41½	12	16½	19½
(*313)	330	13	19	27	29½	[illegible]	36
British Gas	260	22½	29	30½	[illegible]	13	18
(*272)	[illegible]	[illegible]	15	20	[illegible]	24½	28
Dixons	180	13½	20½	24	14	16½	19
(*184)	200	8	12½	16½	26½	28½	[illegible]
Hillsdown	160	14½	19½	22½	6½	8½	10½
(*165)	180	5½	9½	13½	18½	21	22½
Lonrho	130	9½	13½	18	10½	13½	17½
(*130)	140	6	9½	14	17	20	24
Natl Power	420	[illegible]	[illegible]	[illegible]	15	22½	27
(*430)	460	16½	21	29½	37½	45	49½
Scot Power	330	31½	36	49	12½	17	20
[illegible]	360	14	20	25½	28	31½	36
Sears	110	10½	12½	14½	[illegible]	8½	[illegible]
(*114)	120	5	7½	9½	9½	12	13½
[illegible]	220	17	[illegible]	26	9½	15½	[illegible]
(*223)	240	8½	12½	17	22	27½	30
Tarmac	140	21½	25	28½	8	9	11½
(*154)	[illegible]	10½	14	18	15½	20½	22½
Thorn EMI	1000	50½	74	[illegible]	[illegible]	[illegible]	[illegible]
(*1025)	1050	27½	52	65½	74½	[illegible]	102
TSB	180	24	28	31½	4½	7½	10½
[illegible]	200	11½	17	21	13½	18½	21
Tomkins	[illegible]	21	25½	28½	6½	9½	13
(*214)	220	9½	15	19	17½	21	24
Wellcome	600	38	[illegible]	68	33½	47½	55½
[illegible]	650	18½	[illegible]	[illegible]	65	[illegible]	85
Option		Jul	Oct	Jan	Jul	Oct	Jan
Glaxo	550	24½	44½	[illegible]	[illegible]	[illegible]	[illegible]
(*561)	600	5	22	[illegible]	[illegible]	72½	79½
HSBC 75p shs	650	41	69½	[illegible]	13½	42½	56½
(*673)	700	15	45½	[illegible]	39	68½	80
Reuters	452	14	31	–	13	29	–
(*462)	475	8	26	–	21	33½	–
Option		Aug	Nov	Feb	Aug	Nov	Feb
Rolls-Royce	180	[illegible]	[illegible]	[illegible]	[illegible]	12	[illegible]
(*186)	200	4	12	15½	17½	[illegible]	[illegible]

* Underlying security price. Premiums shown are based on closing offer prices.
July 7, Total contracts: 25,812 Calls: 15,743 Puts: 10,069

FT GOLD MINES INDEX

	Jul [illegible]	% chg on day	Jul 5	Jul [illegible]	Year [illegible]	Gross div [illegible]	52 week High	52 week Low
Gold Mines Index (36)	1881.40	-1.1	1902.29	1924.04	2064.07	2.17	2367.40	1522.66
■ Regional Indices								
Africa (18)	2754.87	-2.2	2817.68	2858.56	2882.79	[illegible]	3440.80	1902.23
Australasia (6)	[illegible]	-0.2	2479.23	2448.04	2419.02	[illegible]	3013.69	1593.16
North America (12)	1537.26	-0.7	1547.79	1573.12	1806.51	[illegible]	2039.65	1363.00

Figures in brackets show number of companies. Basis US Dollars. Base Values: 1000.00 31/12/92.
Predecessor Gold Mines Index: July 7 : 217.4; day's change: +0.2 points; Year ago: 228.8
Latest prices are unavailable for this edition.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	57	3	12
Other Fixed Interest	11	0	4
Mineral Extraction	75	43	82
General Manufacturers	153	91	411
Consumer Goods	44	30	117
Services	102	74	330
Utilities	11	21	13
Financials	110	66	194
Investment Trusts	120	33	315
Others	62	35	36
Totals	745	396	1514

Data based on those companies listed on the London Share Service.

TRADITIONAL OPTIONS

First Dealings	June 27	Last Declarations	Sept 29
Last Dealings	July 8	For settlement	Oct 10

Calls: Mirror Grp, Tullow Oil, Waverley Mining. Puts: Phonelink. Puts & Calls: Navan Resources.

LONDON RECENT ISSUES: EQUITIES

Issue [illegible] p	[illegible] paid up	Mkt. [illegible] (£m.)	1994 [illegible]	[illegible]	[illegible]	Close price p	+/-	[illegible]	[illegible]	[illegible] yld	P/E [illegible]
§120	F.P.	88.0	[illegible]	115½	[illegible] Hamble	119		W3.74	2.8	3.9	[illegible]
161	F.P.	48.1	166	[illegible]	Amey	165		LN1.06	0.8	[illegible]	[illegible]
[illegible]	F.P.	140.5	267	253	Argent	255	-1	–	–	–	–
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Baillie Giffrd [illegible] C	101½		–	–	–	–
§40	F.P.–	[illegible]	[illegible]	[illegible]	[illegible]	45		–	–	–	–
105	F.P.	[illegible]	[illegible]	105	Bloomsbury Pb	113	+2	WN2.94	[illegible]	[illegible]	11.8
[illegible]	F.P.	27.2	154	132	Brewin Dolphin	132	-1	[illegible]	2.3	[illegible]	[illegible]
[illegible]	F.P.	17.1	160	156	CPL Aromas	[illegible]	-3	[illegible]	[illegible]	2.4	[illegible]
100	F.P.	[illegible]	[illegible]	[illegible]	[illegible] Intl	108	+1	[illegible]	[illegible]	[illegible]	[illegible]
–	F.P.	–	35¾	33¼	Five Arrows Wts	33¾	+¼	–	–	–	–
–	F.P.	[illegible]	[illegible]	[illegible]	Fleming Indian	[illegible]		–	–	–	–
–	F.P.	7.56	60	42	Do Warrants	45		–	–	–	–
225	F.P.	[illegible]	[illegible]	225	[illegible]	232		LN9.9	2.1	[illegible]	[illegible]
	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	163	-2	[illegible]	[illegible]	1.8	16.5
–	F.P.	–	77	63	JF Fl Japan Wts	65	+1	–	–	–	–
3	F.P.	1.73	3¼	3	John Mansfield	3¼		–	–	–	–
–	F.P.	14.3	97	94	J'son Fry Euro	95½		b5.2	–	[illegible]	–
200	F.P.	183.4	[illegible]	200	✠London Clubs	[illegible]	+3	[illegible]	[illegible]	[illegible]	11.8
[illegible]	F.P.	[illegible]	[illegible]	125½	Norcor	[illegible]		W4.56	2.5	[illegible]	[illegible]
–	F.P.	[illegible]	131	106	Redrow	[illegible]		WN2.7	[illegible]	3.0	[illegible]
	F.P.	[illegible]	[illegible]	86½	Scudder Latin	89		–	–	–	–
–	F.P.	[illegible]	[illegible]	42	Do Wts	43		–	–	–	–
100	F.P.	[illegible]	[illegible]	[illegible]	Shires HY Smlr C	99		–	–	–	–
[illegible]	F.P.	13.2	113	106	Spargo Cons	108		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	3.62	[illegible]	97	[illegible] Euro Gth [illegible]	97		–	–	–	–
–	F.P.	–	14	[illegible]	TR Prop Wts	[illegible]		–	–	–	–
	F.P.	[illegible]	[illegible]	86	Universal Ceramic	90		[illegible]	[illegible]	[illegible]	[illegible]
150	F.P.	50.5	150	129	VCI	130	-5	WN5.5	[illegible]	[illegible]	11.6
–	F.P.	62.9	[illegible]	46	[illegible]	46	-1	–	–	–	–

RIGHTS OFFERS

[illegible] [illegible] p	[illegible] [illegible] up	Latest Renun. date	1994 High	[illegible]	[illegible]	[illegible] price p	+or-
255	Nil	9/8	[illegible]	1½pm	Assoc Nursing	1½pm	
410	[illegible]	[illegible]	[illegible]	[illegible]	Cater Allen	46pm	[illegible]
–	Nil	13/8	105pm	89pm	Charter	89pm	-6
–	Nil	17/8	235pm	2pm	Euro-Disney	3pm	+1
265	Nil	14/7	65pm	3½pm	Eurotunnel	10pm	
425	Nil	[illegible]	[illegible]	54pm	Faber Prest	54pm	-1
68	Nil	9/8	71pm	[illegible]	Hawtal Whiting	71pm	+13
24	Nil	25/7	2¾pm	2½pm	[illegible]	2½pm	
70	[illegible]	[illegible]	12pm	11pm	London Intl.	12pm	
[illegible]	Nil	–	5pm	3pm	[illegible]	5pm	
[illegible]	Nil	3/8	¾pm	¼pm	Paramount	¼pm	
15	Nil	[illegible]	3pm	1½pm	[illegible]	3pm	+1
[illegible]	Nil	14/7	[illegible]	10pm	Ricardo	10½pm	+½
73	Nil	5/8	3pm	¼pm	Wates [illegible]	¼pm	

FINANCIAL TIMES EQUITY INDICES

	July 7	July [illegible]	July 5	July [illegible]	July 1	Yr ago	*High	*Low
Ordinary Share	[illegible]	2305.7	[illegible]	2324.4	[illegible]	2227.8	2713.6	2240.6
Ord. div. yield	4.32	4.35	[illegible]	[illegible]	4.37	4.14	4.46	[illegible]
Earn. yld. [illegible] full	[illegible]	5.80	[illegible]	[illegible]	[illegible]	[illegible]	5.95	3.82
P/E ratio [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	18.28	25.98	[illegible]	[illegible]
P/E [illegible] nil	19.26	19.08	19.18	19.21	19.01	24.08	[illegible]	18.61

*For 1994. Ordinary Share Index since compilation: high 2713.6 2/02/94; low 49.4 26/6/40
FT Ordinary Share Index base date 1/7/35.

Ordinary Share hourly changes

Open	[illegible]	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2308.0	2305.1	2315.7	2321.2	2324.1	2325.2	2326.4	2324.9	2328.0	2328.2	2301.7

	July 7	July 6	July 5	[illegible] 4	July 1	Yr ago
SEAQ [illegible]	20,131	19,089	19,496	[illegible]	24,097	24,951
Equity [illegible] (£m)†	-	[illegible]	[illegible]	991.0	[illegible]	1203.1
Equity bargains†	-	21,923	[illegible]	23,580	[illegible]	26,950
[illegible] traded (mil)†	-	424.4	396.5	[illegible]	[illegible]	673.7

† Excluding intra-market business and overseas turnover.

BANKS

[illegible]

BREWERIES

[illegible]

BUILDING & CONSTRUCTION

[illegible]

BUILDING MATS. & MERCHANTS

[illegible]

CHEMICALS

[illegible]

DISTRIBUTORS

[illegible]

DIVERSIFIED INDUSTRIALS

[illegible]

ELECTRICITY

[illegible]

ELECTRONIC & ELECTRICAL EQPT

[illegible]

ELECTRONIC & ELECTRICAL EQPT - Cont.

[illegible]

ENGINEERING

[illegible]

ENGINEERING, VEHICLES

[illegible]

EXTRACTIVE INDUSTRIES

[illegible]

FOOD MANUFACTURERS

[illegible]

GAS DISTRIBUTION

[illegible]

HEALTH CARE

[illegible]

HEALTH CARE - Cont.

[illegible]

HOUSEHOLD GOODS

[illegible]

INSURANCE

[illegible]

INVESTMENT TRUSTS

[illegible]

INVESTMENT TRUSTS - Cont.

[illegible]

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

OTHER INVESTMENT TRUSTS

INVESTMENT COMPANIES

LEISURE & HOTELS

LEISURE & HOTELS - Cont.

LIFE ASSURANCE

MEDIA

MERCHANT BANKS

OIL EXPLORATION & PRODUCTION

OIL, INTEGRATED

OTHER FINANCIAL

OTHER SERVICES & BUSINESSES

PHARMACEUTICALS

PRINTING, PAPER & PACKAGING

PROPERTY

PROPERTY - Cont.

RETAILERS, FOOD

RETAILERS, GENERAL

SPIRITS, WINES & CIDERS

SUPPORT SERVICES

TELECOMMUNICATIONS

TEXTILES & APPAREL

TOBACCO

TRANSPORT

TRANSPORT - Cont.

WATER

AMERICANS

CANADIANS

SOUTH AFRICANS

	Notes	Price	+ or -	1994 high	low	Mkt Capital	Yld Gr's	P/E
Anglo Am Ind		£27¼	—	£27½	£13½	[illegible]	2.7	19.9
Barlow	Z	94½xd	—	65½	23½	[illegible]	0.7	-
Gold Flds Prop R		80	—	100	75	[illegible]	10.1	8.8
MK Props		85	—	95	85	[illegible]	10.5	34.9
SASOL	♥	325	-4	355	280	[illegible]	4.5	-
SA Brews		£11⅜	+⅛	£15⅛	£10	[illegible]	2.3	19.2
Tiger Oats	†	636xd	—	635	536	[illegible]	2.5	13.5
Tongaat-Hulett		540xd	—	739¼	427½	[illegible]	2.4	18.1

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share [illegible] delivered by Extel Financial, a member of the Financial Times [illegible]

Company classifications are based on those used for the FT-SE Actuaries Share Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated [illegible] for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- ☐ [illegible] the most actively traded stocks. This includes UK stocks [illegible] transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ) and non-UK stocks through the SEAQ International system.
- ♥ Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ◆ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ♣ Free annual/interim report available, see details below.
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Not officially UK listed; dealings permitted under Rule 535(2)
- § Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ♠ Unregulated collective investment [illegible]

a Yield based on annualised dividend. b Figures based on prospectus or other official estimates. c Cents. f Flat yield. g Assumed dividend yield after rights issue. h Assumed dividend yield after scrip issue. n Rights issue pending. q Earnings based on preliminary figures. s Dividend yield excludes a special payment. t Indicated dividend yield, p/e ratio based on latest annual earnings. u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings. v Not subject to ACT. z Dividend yield including [illegible] payment. F [illegible] on prospectus or other official estimates for 1994-95. G Assumed yield after pending scrip and/or rights issue. H Yield based on prospectus or other official estimates for 1993. K Yield based on prospectus or other official estimates for 1994. L Estimated annualised yield, p/e based on latest annual earnings. M Yield based on prospectus or other official estimates for 1993-94. N Figures based on IMR 'Headline Earnings'. P Figures based on prospectus or other official estimates for 1994. R Forecast annualised yield, p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend yield to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1235 a year for each security shown, subject to the Editor's discretion.

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FT Cityline

Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details.

An international service is available for callers outside the UK, annual subscription £250 stg. Call 071-873 4378 (+44 71 873 4378, international) for more information on FT Cityline.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

AUTHORISED UNIT TRUSTS

Init Chrge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AIB Unit Trust Managers Limited (1000)F

[illegible]

AXA Equity & Law Unit Tst Mngrs (1200)H

[illegible]

Capel-Cure Myers UT Mngt Ltd - Contd.

[illegible]

Capital House Unit Tst Mngrs (1200)F
Capital House, Festival Square, Edinburgh.

[illegible]

Fidelity Investment Servs Ltd - Contd.

[illegible]

Govett - Contd.

[illegible]

Granville Unit Tst Mngmt Ltd (0900)F

[illegible]

Guardian Royal Ex Unit Mgrs Ltd (1000)F

[illegible]

Knight Williams Portfolio Mngrs (0900)F

[illegible]

L & C Unit Tst Mngmt Ltd (0900)F

[illegible]

Lawrence Keen Unit Trust Mngmt (1300)F

[illegible]

Laurentian Unit Tst Mngmt Ltd

[illegible]

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: [illegible] made on sale of units. Used to defray [illegible] and administrative costs, [illegible] commission paid to intermediaries. [illegible] included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is normally above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (☆) - 0001 to 1100 hours; (◆) - 1101 to 1400 hours; (▲) - 1401 to 1700 hours; (#) - 1701 to midnight. [illegible] prices are set on the basis of the valuation point, a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set at the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH Tel: 071-379-0444.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available [illegible] telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

Thornton Unit Managers Ltd (1200)F

Abbey Life Assurance Co Ltd

Group - Contd.

Century Life Plc

City of Westminster Assurance (z)

Family Life Assurance Ltd

Friends Provident

Irish Life Assurance Co Plc

M & G Life and M & G Pensions

National Westminster Life Assce Ltd - Contd.

Prudential Corporate Pension Funds

OTHER UK UNIT TRUSTS

INSURANCES

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

Scottish Equitable plc - Contd.

Scottish Life Investments

Scottish Mutual Assurance plc

Sun Alliance Group - Contd.

CMI Insurance Co Ltd

Scottish Provident Intl Life Assn Ltd

MANAGEMENT SERVICES

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

GUERNSEY (REGULATED)(**)

GUERNSEY (SIB RECOGNISED)

OFFSHORE INSURANCES

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)(**)

ISLE OF MAN (SIB RECOGNISED)

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

Barclays International Funds - Contd.

JERSEY (REGULATED)(**)

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

Royal Bank of Canada Intl Fd Mgt Ltd

Royal Bk of Scotland Fd Mngrs (Jersey) Ltd

Schroder Mngt Services (Jersey) Ltd

Scrimgeour Kemp-Gee Mngmt., Jersey

LUXEMBOURG (SIB RECOGNISED)

Fleming Group - Contd.

Foreign & Colonial Emerging Markets Ltd (u)

S.G. Warburg Asset Mngmt Lux SA

LUXEMBOURG (REGULATED)(**)

Global Futures & Options SICAV

H.C.M. HYPO Capital Mgt Luxembourg SA

Templeton Worldwide Investments

Transworld Bond Trust

US Pacific Stock Fund (u)

Unico Financial Services SA Lux

OTHER OFFSHORE FUNDS

Ermitage Group

Jardine Fleming Unit Trusts Ltd - Contd.

Portuguese Investment Fund Ltd

Putnam Emerging Funds Ltd

Putnam International Advisers Ltd

Quantum Group

MANAGED FUNDS NOTES

CURRENCIES AND MONEY

MARKETS REPORT

No Buba rate move

The decision yesterday by the Bundesbank council to leave official German interest rates unchanged removed another prop from beneath the US dollar, *writes Philip Gawith.*

Dollar bulls had hoped that lower German rates would lend support to the US currency. As it was, the dollar closed in London at Y99.015 from Y98.125, and DM1.5745 from DM1.5865.

The Bundesbank left the discount rate at 4.5 per cent and the Lombard emergency financing rate at 6 per cent.

The market is increasingly convinced that no dollar-support package will be forthcoming, though some observers are becoming concerned that the pat consensus is playing into the hands of the central banks.

The flip side of dollar weakness continues to be a strong D-Mark and weak sterling. The pound slipped further to close at DM2.4246 from DM2.4303. In Italy, meanwhile, lira weakness persisted with the Italian currency finishing at L997.1 against the D-Mark, from L995.5, amid rumours of ministers resigning.

The South African financial rand recovered some ground after the shock resignation of Mr Derek Keys, finance minister, earlier this week. It closed at R4.765 to the dollar from R4.84.

■ Traders said activity in the market was fairly quiet ahead of today's US labour market data, and the G7 summit that starts in Naples.

The main development was the persistence of the string of G7 officials downplaying the current dollar weakness. Joining the list of those apparently unconcerned by the dollar, or at least not expecting it to be discussed in Naples, were Japanese and British officials, as well as Mr Silvio Berlusconi, the Italian prime minister.

Mr Robin Marshall, chief economist at Chase Manhattan in London, commented: "People are slowly pricing in the realisation that nothing much is coming out of this G7 meeting. The dollar is a long way down the agenda at Naples."

Mr Adrian Cunningham, senior international economist at UBS in London, said this consensus "increased the scope for the authorities to do something." But he said he was not convinced that the market was yet short enough (of dollars) for intervention alone to achieve anything, or that the G7 would provide other policy signals, such as concerted rate changes, that would complement intervention.

"If we come in on Monday to an innocuous communique, the market will interpret that as a signal to sell the dollar again," said Mr Cunningham.

Some observers believe, however, that the central banks have played their hand well this week, and thus limited the downside for the US currency. Expectations have now been so downplayed that no action on Monday will hardly be cause for surprise or disappointment.

On the other hand, if the G7 did come up with a policy of co-ordinated rate moves and intervention this weekend, "the market would be totally shell-shocked" in the words of an economist at a leading European bank. He said he was "very suspicious" of the long string of officials downplaying dollar weakness and had advised clients to cover their short dollar positions.

Another factor becoming [illegible] issue is the strength of the D-Mark. Although the Bundesbank's reluctance to participate in the last round of intervention to support the dollar is a poorly kept secret, the weakness of the lira, Swedish krona and French franc is probably starting to cause concern.

So while it may be true that DM1.57 to the dollar is probably not, in itself, a level that need concern the authorities, the ramifications of this may be more serious. One analyst went so far as to say that the market was "not far from a mini-ERM crisis."

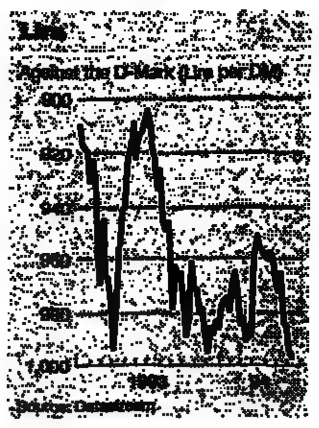
■ Italian financial markets were buffeted by rumours about tensions in the government, and market disappointment that the cabinet made no announcement about measures to curb the budget deficit, running above 10 per cent of GDP, with the stock of debt equivalent to 120 per cent of GDP.

Rumours of ministerial resignations were emphatically denied by Mr Berlusconi, who is hosting the G7 summit. A cabinet official also said that deficit projections would be available next week, after the G7 meeting. The Swedish krona regained some ground to finish at SKr4.979 from SKr5.004 on Wednesday. In Belgium, however, also seen as a high debt country, the franc slipped slightly further to BFr20.70 against the D-Mark from DM20.70.

■ In the money markets, German call money eased to about 4.84/4.95 p[illegible]t from about 5 per cent, [illegible] of the Bundesbank council meeting. Money conditions were fairly easy and some traders thought there might be a cut in official rates.

In the UK the Bank of England supplied £724m liquidity to the money markets are forecasting a £700m shortage. Overnight money traded between 1¼ and 5¼ per cent.

Volumes in the futures markets were better than in recent days, with the December eurosterling contract trading 25,580 lots, to settle four basis points lower at 93.63. The December euromark contract closed at 94.95, from 94.97, on volume of 25,804 lots.



Source: Datastream

■ Pound in New York

Jul 7	—Latest—	—Prev. close—
£ spot	1.5425	1.5458
1 mth	1.5419	1.5452
3 mth	1.5411	1.5447
1 yr	1.5355	1.5408

■ OTHER CURRENCIES

Jul 7	£	$
Hungary	158.367 - 158.515	101.570 - 101.620
Iran	2699.00 - 2701.00	1748.00 - 1750.00
Kuwait	0.4551 - 0.4565	0.2958 - 0.2964
Poland	34468.2 - 34500.6	22355.0 - 22400.0
Russia	3089.24 - 3096.94	2005.00 - 2011.00
U.A.E.	5.6451 - 5.6665	3.6715 - 3.6735

POUND SPOT FORWARD AGAINST THE POUND

Jul 7		Closing mid-point	Change on day	Bid/offer spread	Day's Mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	Bank of Eng. Index
Europe													
Austria	(Sch)	17.0860	-0.0021	784 - 916	17.1473	17.0193	17.0812	0.3	17.0756	0.2	-	-	114.9
Belgium	(BFr)	50.1778	-0.0848	419 - 136	50.4940	50.1410	50.1678	0.2	50.2128	-0.3	50.2328	-0.1	118.1
Denmark	(DKr)	9.5449	-0.0138	418 - 480	9.5946	9.5418	9.5519	-0.9	9.5686	-1.0	9.596	-0.6	117.0
Finland	(FM)	8.0546	+0.0083	455 - 636	8.1050	8.0450	-	-	-	-	-	-	82.1
France	(FFr)	8.3368	-0.0057	339 - 397	8.3768	8.3336	8.3409	-0.6	8.3479	-0.6	8.3279	0.1	109.6
Germany	(DM)	2.4246	-0.0057	238 - 254	2.4420	2.4234	2.4248	0.0	2.4237	0.1	2.4025	0.9	125.9
Greece	(Dr)	366.355	+0.13	987 - 722	367.828	365.980	-	-	-	-	-	-	-
Ireland	(I£)	1.0109	-0.0006	099 - 119	1.0152	1.0089	1.0113	-0.5	1.012	-0.5	1.0136	-0.3	104.7
Italy	(L)	2417.20	-2.42	617 - 822	2427.17	2412.61	2424.8	-3.8	2438.15	-3.5	2489.40	-2.9	76.3
Luxembourg	(LFr)	50.1778	-0.0848	419 - 136	50.4940	50.1410	50.1678	0.2	50.2128	-0.3	50.2328	-0.1	[illegible]
Netherlands	(Fl)	2.7226	-0.004	214 - 238	2.7414	2.7213	2.7226	0.0	2.722	0.1	2.6996	0.8	[illegible]
Norway	(NKr)	10.6479	-0.0128	446 - 511	10.6963	10.6438	10.6422	0.6	10.6548	-0.3	10.6469	0.0	[illegible]
Portugal	(Es)	250.204	-0.361	047 - 360	253.835	250.047	251.179	-4.7	253.124	-4.7	-	-	-
Spain	(Pta)	201.233	-0.784	065 - 361	202.573	200.943	201.703	-2.8	202.578	-2.7	205.408	-2.1	85.5
Sweden	(SKr)	12.0713	-0.0912	628 - 798	12.1991	12.0571	12.0943	-2.3	12.1283	-1.9	12.2273	-1.3	73.1
Switzerland	(SFr)	2.0429	-0.0007	420 - 438	2.0559	2.0410	2.0417	0.7	2.0388	0.8	2.0144	1.4	120.6
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	79.2
Ecu	-	1.2712	-0.0018	707 - 716	1.2779	1.2656	1.2722	-0.9	1.2694	0.6	1.2744	-0.2	-
SDR†	-	0.943419	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	[illegible]	-0.0099	360 - 367	1.5418	1.5326	-	-	-	-	-	-	-
Brazil	(R)	[illegible]	-0.0157	980 - 018	1.4186	1.3980	-	-	-	-	-	-	-
Canada	(C$)	[illegible]	-0.0066	379 - 393	2.1439	2.1330	2.1406	-1.0	2.1455	-1.3	2.1768	-1.7	85.5
Mexico	(New Peso)	[illegible]	-0.0283	345 - 370	5.2450	5.2282	-	-	-	-	-	-	-
USA	($)	[illegible]	-0.0095	397 - 402	1.5450	1.5359	1.5394	0.6	1.5367	0.3	1.534	0.4	63.2
Pacific/Middle East/Africa													
Australia	(A$)	2.1117	-0.0219	106 - 128	2.1134	2.0986	2.111	0.4	2.1094	0.4	2.1065	0.2	-
Hong Kong	(HK$)	11.9015	-0.0718	988 - 042	11.9398	11.8714	11.8934	0.8	11.8896	0.4	11.9164	-0.1	-
India	(Rs)	48.3121	-0.3093	965 - 276	48.4680	48.1930	-	-	-	-	-	-	-
Japan	(Y)	152.478	+0.433	415 - 541	153.460	152.260	152.088	3.1	151.293	3.1	146.998	3.6	191.1
Malaysia	(M$)	3.9996	-0.0366	981 - 010	4.0224	3.9898	-	-	-	-	-	-	-
New Zealand	(NZ$)	2.5765	-0.0268	739 - 790	2.6005	2.5654	2.5758	0.3	2.5794	-0.4	2.5869	-0.4	-
Philippines	(Peso)	41.5017	-0.3349	870 - 164	42.1650	41.1670	-	-	-	-	-	-	-
Saudi Arabia	(SR)	5.7754	-0.036	742 - 765	5.7941	5.7604	-	-	-	-	-	-	-
Singapore	(S$)	2.3415	-0.0128	403 - 426	2.3496	2.3364	-	-	-	-	-	-	-
S Africa (Com.)	(R)	5.6601	-0.0212	569 - 633	5.6749	5.6425	-	-	-	-	-	-	-
S Africa (Fin.)	(R)	7.3379	-0.1617	213 - 545	7.4744	7.3207	-	-	-	-	-	-	-
South Korea	(Won)	1240.20	-8.78	946 - 094	1245.34	1237.47	-	-	-	-	-	-	-
Taiwan	(T$)	41.2091	-0.2009	947 - 235	41.3097	41.1064	-	-	-	-	-	-	-
Thailand	(Bt)	38.4988	-0.1922	771 - 204	38.6100	38.4280	-	-	-	-	-	-	-

†SDR rate for Jul 6. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1985 = 100. Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Jul 7		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	J.P. Morgan Index
Europe													
Austria	(Sch)	11.0946	+0.067	920 - 970	11.1310	11.0450	11.099	-0.5	11.107	-0.5	11.0446	0.5	104.1
Belgium	(BFr)	32.5840	+0.159	660 - 020	32.7500	32.4800	32.6065	-0.8	32.6415	-0.7	32.674	-0.3	105.3
Denmark	(DKr)	6.1982	+0.0293	972 - 992	6.2238	6.1855	6.2057	-1.5	6.2202	-1.4	6.2582	-1.0	105.9
Finland	(FM)	5.2304	+0.0363	254 - 354	5.2575	5.2087	5.2329	-0.6	5.2379	-0.6	5.2814	-1.0	77.0
France	(FFr)	5.4137	+0.0297	127 - 147	5.4390	5.4110	5.4181	-1.0	5.4241	-0.8	5.4017	0.2	105.7
Germany	(D)	1.5745	+0.006	742 - 747	1.5830	1.5742	1.575	-0.4	1.575	-0.1	1.5655	0.6	106.5
Greece	(Dr)	237.900	+1.55	700 - 100	238.500	237.650	239.25	-6.8	240.1	-3.7	242.4	-1.9	69.5
Ireland	(I£)	1.5234	-0.0085	221 - 246	1.5282	1.5172	1.5221	1.0	1.52	0.9	1.5113	0.8	-
Italy	(L)	1569.86	+8.11	925 - 007	1573.85	1566.00	1574.51	-3.7	1584.21	-3.7	1574.81	-0.8	77.0
Luxembourg	(LFr)	32.5840	+0.159	660 - 020	32.7500	32.4800	32.6065	-0.8	32.6415	-0.7	32.674	-0.3	105.3
Netherlands	(Fl)	1.7680	+0.0063	675 - 685	1.7761	1.7674	1.7686	-0.4	1.7685	-0.1	1.7587	0.5	105.5
Norway	(NKr)	6.9144	+0.0343	134 - 154	6.9407	6.9078	6.9179	-0.6	6.9259	-0.7	6.8729	0.6	95.3
Portugal	(Es)	162.475	+0.775	400 - 550	164.700	162.380	163.775	-9.6	165.975	-8.6	172.225	-6.0	94.0
Spain	(Pta)	130.675	+0.3	600 - 750	131.250	130.600	131.05	-3.4	131.705	-3.2	134.205	-2.7	80.6
Sweden	(SKr)	7.8388	-0.0105	345 - 430	7.9021	7.8346	7.8573	-2.9	7.8953	-2.9	8.0538	-2.7	77.9
Switzerland	(SFr)	1.3266	+0.0077	262 - 270	1.3340	1.3260	1.3263	0.3	1.3248	0.5	1.3119	1.1	106.5
UK	(£)	1.5400	-0.0095	397 - 402	1.5450	1.5359	1.5394	0.5	1.5367	0.3	1.534	0.4	87.8
Ecu	-	1.2115	-0.0057	112 - 117	1.2121	1.2072	1.2101	1.3	1.208	1.2	1.2184	-0.6	-
SDR†	-	1.46645	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	0.9977	-0.0003	976 - 977	0.9980	0.9976	-	-	-	-	-	-	-
Brazil	(R)	0.9090	-0.0045	080 - 100	0.9150	0.9080	-	-	-	-	-	-	-
Canada	(C$)	1.3888	+0.0031	885 - 890	1.3910	1.3850	1.3905	-1.5	1.3946	-1.7	1.4179	-2.1	82.2
Mexico	(New Peso)	3.4000	+0.0027	997 - 002	3.4002	3.3948	3.401	-0.4	3.4028	-0.3	3.4108	-0.3	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	96.9
Pacific/Middle East/Africa													
Australia	(A$)	1.3718	-0.0087	709 - 717	1.3717	1.3646	1.3718	-0.3	1.3718	-0.1	1.3755	-0.3	85.5
Hong Kong	(HK$)	7.7285	+0.0013	280 - 290	7.7290	7.7280	7.728	0.1	7.7305	-0.1	7.7447	-0.2	-
India	(Rs)	31.3725	-0.0063	675 - 775	31.3800	31.3675	31.4625	-3.1	31.5975	-2.9	-	-	-
Japan	(Y)	99.0150	+0.89	900 - 400	99.4000	98.9000	98.8	2.6	98.3	2.9	95.705	3.3	152.1
Malaysia	(M$)	2.5972	-0.0076	967 - 977	2.6040	2.5958	2.5897	3.5	2.5882	1.7	2.6172	-0.8	-
New Zealand	(NZ$)	1.6731	-0.0063	717 - 745	1.6745	1.6657	1.6749	-1.3	1.6795	-1.5	1.7012	-1.7	-
Philippines	(Peso)	26.9500	-0.05	500 - 500	27.2000	26.7500	-	-	-	-	-	-	-
Saudi Arabia	(SR)	3.7504	-0.0001	502 - 505	3.7505	3.7504	3.751	-0.2	3.753	-0.3	3.7657	-0.4	-
Singapore	(S$)	1.5205	+0.0011	200 - 210	1.5212	1.5200	1.5198	0.6	1.5196	0.3	1.5215	-0.1	-
S Africa (Com.)	(R)	3.6755	+0.009	740 - 770	3.6795	3.6580	3.691	-5.1	3.7199	-4.8	3.796	-3.3	-
S Africa (Fin.)	(R)	4.7650	-0.075	550 - 750	4.8400	4.7550	4.7957	-6.5	4.8575	-7.8	-	-	-
South Korea	(Won)	805.350	-0.7	000 - 700	806.200	805.000	808.35	-4.5	811.55	-3.2	830.35	-3.1	-
Taiwan	(T$)	26.7600	+0.0362	550 - 650	26.7650	26.7160	26.78	-0.9	26.82	-0.9	-	-	-
Thailand	(Bt)	25.0000	+0.03	900 - 100	25.0100	24.9500	25.0725	-3.5	25.2	-3.2	25.68	-2.7	-

†SDR rate for Jul 6. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Jul 6. Base average 1990=100

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	[illegible]	Ecu
Belgium	(BFr)	100	19.02	16.62	4.832	2.013	4618	5.428	21.21	498.7	401.0	24.06	4.070	[illegible]	4.262	3.070	[illegible]	2.533
Denmark	(DKr)	52.57	10	8.734	2.540	1.058	2532	2.852	11.15	262.2	210.8	12.65	2.140	[illegible]	2.240	1.614	[illegible]	1.332
France	(FFr)	60.18	11.45	10	2.908	1.212	2899	3.265	12.76	300.1	241.4	14.48	2.450	[illegible]	2.565	1.847	[illegible]	1.525
Germany	(DM)	20.70	3.937	3.439	1	0.417	997.1	1.123	4.389	103.2	83.00	4.979	0.842	[illegible]	0.882	0.635	[illegible]	0.524
Ireland	(I£)	49.67	9.450	8.253	2.400	1	2393	2.695	10.53	247.7	199.2	11.95	2.022	[illegible]	2.117	1.525	[illegible]	1.258
Italy	(L)	2.076	0.395	0.345	0.100	0.042	100.	0.113	0.440	10.35	8.324	0.499	0.084	[illegible]	0.088	0.064	[illegible]	0.053
Netherlands	(Fl)	18.43	3.506	3.062	0.891	0.371	888.0	1	3.908	91.92	73.92	4.434	0.750	[illegible]	0.785	0.566	[illegible]	0.467
Norway	(NKr)	47.15	8.970	7.835	2.278	0.949	2272	2.559	10	235.2	189.1	11.34	1.919	[illegible]	2.009	1.447	[illegible]	1.195
Portugal	(Es)	20.05	3.815	3.332	0.969	0.404	966.0	1.088	4.253	100.	80.42	4.824	0.816	0.400	0.855	0.615	[illegible]	0.508
Spain	(Pta)	24.94	4.744	4.143	1.205	0.502	1201	1.353	5.288	124.4	100.	5.999	1.015	0.497	1.063	0.765	[illegible]	0.632
Sweden	(SKr)	41.57	7.907	6.906	2.008	0.837	2002	2.255	8.815	207.3	166.7	10	1.692	0.829	1.771	1.276	[illegible]	1.053
Switzerland	(SFr)	24.57	4.674	4.082	1.187	0.495	1184	1.333	5.211	122.5	98.53	5.911	1	0.490	1.047	0.754	[illegible]	0.622
UK	(£)	50.17	9.544	8.336	2.424	1.010	2417	2.722	10.64	250.2	201.2	12.07	2.042	[illegible]	2.138	1.540	[illegible]	1.271
Canada	(C$)	23.47	4.464	3.899	1.134	0.472	1130	1.273	4.977	117.0	94.11	5.645	0.955	[illegible]	1	0.720	[illegible]	0.594
US	($)	32.58	6.197	5.413	1.574	0.656	1569	1.768	6.909	162.5	130.6	7.838	1.326	[illegible]	1.388	1	[illegible]	0.825
Japan	(Y)	329.2	62.62	54.70	15.91	6.627	15860	17.86	69.82	1642	1320	79.20	13.40	[illegible]	14.03	10.10	[illegible]	8.340
Ecu		39.47	7.509	6.559	1.907	0.795	1902	2.142	8.371	196.9	158.3	9.496	1.607	[illegible]	1.682	1.212	[illegible]	1

Yen per 1,000; Danish Kroner, French Franc, Norwegian Kroner, and Swedish Kronor per 10; Belgian Franc, Escudo, Lira and Peseta per 100.

■ D-MARK FUTURES (IMM) DM 125,000 per DM

	Open	Latest	Change	High	Low	Est. vol	Open int.
Sep	0.6340	0.6320	-0.0027	0.6347	0.6315	61,104	89,225
Dec	0.6330	0.6326	-0.0026	0.6330	0.6325	1,209	2,760
Mar	-	0.6369	-	-	-	318	719

■ JAPANESE YEN FUTURES (IMM) Yen 12.5 per Yen 100

	Open	Latest	Change	High	Low	Est. vol	Open int.
Sep	1.0173	1.0135	-0.0042	1.0200	1.0118	25,422	64,482
Dec	1.0220	1.0215	-0.0044	1.0282	1.0208	1,104	3,969
Mar	-	1.0348	-	-	-	6	573

■ [illegible] FRANC FUTURES (IMM) SFr 125,000 per SFr

	Open	Latest	Change	High	Low	Est. vol	Open int.
Sep	0.7536	[illegible]	[illegible]	[illegible]	[illegible]	19,495	48,457
Dec	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	102	997
Mar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2	10

■ STERLING FUTURES (IMM) $62,500 per £

	Open	Latest	Change	High	Low	Est. vol	Open int.
Sep	1.5424	1.5358	-0.0096	1.5440	1.5350	12,965	40,395
Dec	1.5400	1.5350	-0.0046	1.5400	1.5350	38	415
Mar	-	1.5350	-	-	-	2	145

EUROPEAN CURRENCY UNIT RATES

	[illegible] cen. rates	Rate against Ecu	Change on day	% +/- from cen. rate	% spread v weakest	Div. ind.
Netherlands	2.19672	2.15091	-0.00009	-2.09	5.06	-
Germany	1.94964	1.91699	+0.00006	-1.67	4.61	-
Ireland	0.808628	0.797536	+0.001685	-1.37	4.29	9
Belgium	40.2123	39.6947	+0.076	-1.29	4.20	9
France	6.53883	6.58581	+0.00345	0.72	2.12	-6
Denmark	7.43679	7.53853	-0.00012	1.37	1.47	-6
Portugal	192.854	197.641	-0.03	2.48	0.37	-17
Spain	154.250	158.657	-0.292	2.86	0.00	-20
NON ERM MEMBERS						
Greece	[illegible]	289.365	+0.582	9.40	-5.96	-
Italy	[illegible]	1905.37	-6.16	8.86	-3.20	-
UK	0.786749	0.787918	+0.000157	0.15	2.70	-

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu: a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial [illegible]

■ PHILADELPHIA SE £/$ OPTIONS £31,250 (cents per pound)

Strike Price	CALLS Jul	Aug	Sep	PUTS Jul	Aug	[illegible]
1.450	8.55	8.51	8.81	-	0.01	[illegible]
1.475	6.07	6.22	6.61	-	0.16	[illegible]
1.500	3.64	4.10	4.64	0.02	0.53	1.11
1.525	1.57	2.41	3.06	0.39	1.27	2.01
1.550	0.36	1.20	1.89	1.88	2.51	3.28
1.575	0.02	0.51	1.07	3.79	4.31	4.94

Previous day's vol., Calls [illegible] Puts [illegible]. Prev. day's open int., Calls [illegible] Puts [illegible]

WORLD INTEREST RATES

MONEY RATES

[illegible]

■ THREE MONTH EUROMARK FUTURES (LIFFE) DM1m points of 100%

[illegible]

■ THREE MONTH EUROLIRA INT. RATE FUTURES (LIFFE) L1000m points of 100%

[illegible]

■ THREE MONTH EURO SWISS FRANC FUTURES (LIFFE) SFr1m points of 100%

[illegible]

■ THREE MONTH ECU FUTURES (LIFFE) Ecu1m points of 100%

[illegible]

■ $ LIBOR FT London Interbank Fixing

[illegible]

EURO CURRENCY INTEREST RATES

[illegible]

Short term rates are call for the US Dollar and Yen, others two days' notice.

■ THREE MONTH PIBOR FUTURES (MATIF) Paris interbank offered rate

[illegible]

■ THREE MONTH EURODOLLAR (LIFFE) $1m points of 100%

[illegible]

■ THREE MONTH EURODOLLAR (IMM) $1m points of 100%

[illegible]

■ US TREASURY BILL FUTURES (IMM) $1m per 100%

[illegible]

All Open interest figs. are for previous day

■ EUROMARK OPTIONS (LIFFE) DM1m points of 100%

[illegible]

■ EURO SWISS FRANC OPTIONS (LIFFE) SFr 1m points of 100%

[illegible]

UK INTEREST RATES

LONDON MONEY RATES

[illegible]

UK clearing bank base lending rate 5¼ per cent from February 8, 1994

Certs of Tax dep. (£100,000)

[illegible]

■ THREE MONTH STERLING FUTURES (LIFFE) £500,000 points of 100%

[illegible]

Traded on APT. All Open interest figs. are for previous day.

■ SHORT STERLING [illegible] (LIFFE) £500,000 points of 100%

Strike Price	CALLS Sep	Dec	Mar	PUTS Sep	Dec	Mar
9425	0.22	0.10	0.08	0.11	0.72	1.38
9450	0.09	0.05	0.05	0.23	0.92	1.60
9475	0.02	0.03	0.03	0.41	1.15	1.88

Est. vol. total, Calls 14257 Puts 10020. Previous day's open int., Calls 205048 Puts 194833

BASE LENDING RATES

	%		%		%
Adam & Company	5.25	Duncan Lawrie	5.25	*Roxburghe Guarantee Corporation Limited is no longer authorised as a banking institution.	8
Allied Trust Bank	5.25	Exeter Bank Limited	6.25	Royal Bk of Scotland	5.25
AIB Bank	5.25	Financial & Gen Bank	6	●Smith & Williamson Secs.	5.25
●Henry Ansbacher	5.25	●Robert Fleming & Co	5.25	TSB	5.25
Bank of Baroda	5.25	Girobank	5.25	●United Bk of Kuwait	5.25
Banco Bilbao Vizcaya	5.25	●Guinness Mahon	5.25	Unity Trust Bank Plc	5.25
Bank of Cyprus	5.25	Habib Bank AG Zurich	5.25	Western Trust	5.25
Bank of Ireland	5.25	●Hambros Bank	5.25	Whiteaway Laidlaw	5.25
Bank of India	5.25	Heritable & Gen Inv Bk.	5.25	Yorkshire Bank	5.25
Bank of Scotland	5.25	●Hill Samuel	5.25		
Barclays Bank	5.25	C. Hoare & Co	5.25		
Brit Bk of Mid East	5.25	Hongkong & Shanghai	5.25		
●Brown Shipley & Co Ltd	5.25	Julian Hodge Bank	5.25		
CL Bank Nederland	5.25	●Leopold Joseph & Sons	5.25		
Citibank NA	5.25	Lloyds Bank	5.25		
Clydesdale Bank	5.25	Meghraj Bank Ltd	5.25		
The Co-operative Bank	5.25	Midland Bank	5.25		
Coutts & Co	5.25	*Mount Banking	6		
Credit Lyonnais	5.25	NatWestminster	5.25		
Cyprus Popular Bank	5.25	●Rea Brothers	5.25		

● Members of London Investment Banking Association
* In administration

MONEY MARKET FUNDS

Money Market Trust Funds

[illegible]

Money Market Bank Accounts

[illegible]

WORLD STOCK MARKETS

EUROPE

AUSTRIA (Jul 7 / Sch)

BELGIUM/LUXEMBOURG (Jul 7 / Frs.)

DENMARK (Jul 7 / Kr.)

FINLAND (Jul 7 / Mkk)

FRANCE (Jul 7 / Frs.)

GERMANY (Jul 7 / Dm.)

ITALY (Jul 7 / Lire)

NETHERLANDS (Jul 7 / Fls.)

NORWAY (Jul 7 / Kroner)

SPAIN (Jul 7 / Pts.)

SWEDEN (Jul 7 / Kronor)

SWITZERLAND (Jul 7 / Frs.)

PACIFIC

JAPAN (Jul 7 / Yen)

AUSTRALIA (Jul 7 / Aus.$)

HONG KONG (Jul 7 / H.K.$)

MALAYSIA (Jul 7 / MYR)

SINGAPORE (Jul 7 / S$)

NORTH AMERICA

CANADA

TORONTO (Jul 7 / Can $)

4 pm close

MONTREAL (Jul 7 / Can $)

4 pm close

AFRICA

SOUTH AFRICA (Jul 7 / Rand)

Prices supplied by Telekurs

NOTES – Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. Highs/Lows are for 1994, except Toronto & Montreal (Daily). § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

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TOKYO – MOST ACTIVE STOCKS: Thursday, July 7, 1994

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Terumo Corp	11.3m	1170	−50	Mitsui Sugar	5.1m	576	+46
Japan Energy	9.5m	487	+13	Mitsubishi Oil	4.7m	1100	
Mitsubishi Hvy	7.5m	610	−7	Nippon Steel	3.7m	344	−3
NKK	6.8m	255	−2	Hitachi	2.8m	1070	
Kawasaki Steel	6.2m	411	−1	Sumitomo Mtl Ind	2.6m	298	−2

INDICES

US INDICES

CAC-40 STOCK INDEX FUTURES (MATIF)

	Open	Sett Price	Change	High	Low	Est. vol.	Open Int.
Jul	[illegible]	[illegible]	+37.0	1936.0	1896.0	24,033	36,700
Aug	[illegible]	[illegible]	+37.0	1904.5	1904.5	-	266
Sep	[illegible]	[illegible]	+36.5	1949.0	1912.0	871	25,735

Open interest figures for previous day.

NEW YORK ACTIVE STOCKS

TRADING ACTIVITY

● Volume (million)	Jul 6	Jul 5	Jul 1
New York SE	233.582	182.888	197.286
Amex	13.041	11.119	[illegible]
NASDAQ	241.211	188.857	201.885
NYSE			
Issues Traded	2,611	2,800	2,761
Rises	1,012	1,078	1,294
Falls	1,080	1,018	808
Unchanged	719	705	678
New Highs	28	20	16
New Lows	73	69	67

** Sat July 2 : Taiwan Weighted Price 6005.84; Korea Comp Ex 938.50. Base values of all indices are 100 except: Australia All Ordinary and Mining – 500; Austria Traded, BEL20, HEX Gen., MIB Gen., SBF250, CAC40, Euro Top-100, ISEQ Overall; Toronto Comp./Metals & Minerals and DAX – all 1,000; JSE Gold – 255.7; JSE 20 Industrials – 264.3; NYSE All Common – 50 and Standard and Poor's – 10. §§ Montreal. ♦ Toronto. (c) Closed. (u) Unavailable. ‡ IBIS/DAX after-hours index: Jul 7 - 2049.10 +17.77

† Correction. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♦ The DJ Ind. Index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ¶ Subject to official recalculation.

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

4 pm close July 7

1994 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
17 3/8	13 1/2	AAR	0.48	3.5	54	108	13 3/4	13 1/2	13 5/8	
16 7/8	13	A L Labs A x	0.18	1.3	31	463	13 5/8	13 1/4	13 1/2	-1/8
70 1/4	57 5/8	AMP	1.68	2.4	24	5124	u70 3/4	69 3/4	70 1/2	+5/8
72 1/4	52 1/8	AMR			31	7086	61 5/8	60 5/8	61 1/2	+1
5	3 3/8	ARX			12	157	3 5/8	3 1/2	3 5/8	
56 1/8	39 5/8	ASA	2.00	4.5	29	528	44 7/8	44 5/8	44 3/4	+1/8
31 3/8	25 3/8	AbbtL	0.76	2.5	17	7165	30	29 5/8	29 7/8	
13 3/4	11 3/4	Abitibi Pr	0.50	4.2	8	227	11 7/8	11 3/4	11 7/8	
23 3/8	17 3/4	ABM Ind	0.52	2.6		244	20 3/8	19 7/8	20 1/4	-1/8
13 3/4	11 1/8	Acptacelo			24	43	u13 3/4	13 1/4	13 3/4	-1/8
31	23 3/4	ACE Ltd	0.44	1.9	3	1440	24 1/2	d23 3/4	23 1/2	-1
12 1/2	10 1/8	ACM Gvt In x	1.09	10.1		423	11	10 7/8	10 7/8	-1/8
10 1/8	7 7/8	ACM GvOpp	0.80	9.5		248	8 5/8	8 1/4	8 5/8	+1/4
10 5/8	8 1/2	ACM Gvt Sp	0.96	11.8		274	8 1/4	d8 1/8	8 1/8	-1/8
12	9 1/8	ACM Gvt Se	1.08	11.4		434	9 5/8	9 1/2	9 5/8	-1/8
11 3/4	8 3/4	ACM Man	1.08	11.5		631	9 1/2	9 3/8	9 3/8	
9 3/4	8	ACM Managd	0.72	8.7		141	8 3/8	8 1/4	8 1/4	-1/8
15 1/2	8 3/4	AcmeCly	0.44	4.1	13	248	10 3/4	10 5/8	10 3/4	
9 3/4	6 1/2	Acme Elect			5	38	8 1/8	8	8	-1/8
28 3/4	23	Acordia	0.60	2.1	14	4	28	28	28	
9 3/8	5 3/4	Actava	0.36	4.2	2	138	8 3/4	8 1/2	8 5/8	
15 5/8	11 1/4	Acuson			102	84	13 1/2	13 3/8	13 3/8	
18 3/8	16 1/2	Adams Expr	[illegible]	2.8	0	439	17 1/4	17 1/8	17 1/4	+1/8
[illegible]	45 1/2	Ad Micro	[illegible]	5.5		37	55	53 7/8	55	+1 1/8
31 3/4	16 3/4	AdvMic	[illegible]	11.4	11	6240	26 3/8	25 1/8	26 3/8	+1 1/4
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

- B -

[illegible]

- C -

[illegible]

- D -

[illegible]

- E -

[illegible]

- F -

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- G -

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- H -

[illegible]

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- L -

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- M -

[illegible]

- N -

[illegible]

- O -

[illegible]

- P - Q -

[illegible]

- R -

[illegible]

- S -

[illegible]

Continued on next page

4 pm close July 7

NYSE COMPOSITE PRICES

Continued from previous page

NASDAQ NATIONAL MARKET

4 pm close July 7

AMEX COMPOSITE PRICES

4 pm close July 7

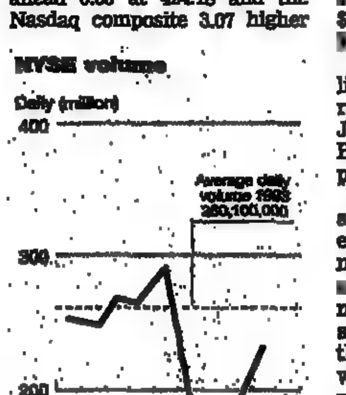
AMERICA

Dow higher as interest rate worries recede

Wall Street

US share prices edged higher [illegible] the board yesterday morning as fears that the Federal Reserve would raise interest rates after the release of today's June employment report diminished, *writes Patrick Harverson in New York.*

By 1 pm, the Dow Jones Industrial Average was up 11.65 at 3,686.15. The more broadly based Standard & Poor's 500 was also firmer at the half-way mark, up 1.84 at 447.97, while the American Stock Exchange composite was ahead 0.63 at 424.18 and the Nasdaq composite 3.07 higher [illegible]. NYSE volume was 145m shares.



The market's attention remained squarely focused on monetary policy yesterday. After the meeting of the Fed's open market committee ended on Wednesday with no apparent [illegible] in policy, traders and investors began to worry about today's employment figures for June. Some analysts believed that the Fed had held off from raising interest rates on Wednesday only because it wanted to see how the June jobs data would come out. The same analysts warned that if the figures showed stronger than expected growth in the labour market, then the Fed would probably put up rates to slow the economy down.

By yesterday, however, interest rate fears had receded. Analysts predicted that the jobs data would show a rise of about 280,000 in non-farm payrolls in June, and believed that the increase would have to be substantially larger than that for the Fed to be persuaded to raise rates. Longer-dated bonds edged higher, pushing the yield on the benchmark 30-year issue down to 7.573 per cent. That decline in yields helped share prices post modest gains.

Among individual stocks, the cyclicals [illegible] led the [illegible] higher on Wednesday were mostly in demand again. International Paper added $¼ at $69¾, General Electric firmed [illegible] to $47½ and Caterpillar rose $¾ to $104¾, but Alcoa slipped [illegible] to $76.

Wal-Mart firmed $⅜ to $24½, lifted by news of a 9.3 per cent rise in same-store sales during June. Another retailer, Best Buy, fell $3¼ to $25¼ on disappointing sales.

CBS fell $2¼ to $308¾ as speculation mounted that entertainment giant Walt Disney is seeking some sort of alli[illegible] with CBS and [illegible] merger partner QVC. If the story is true, it would scupper the hopes of investors who were looking to Disney as a possible rival bidder for CBS.

On the Nasdaq market, Snapple Beverage dropped $1 1/16 to $18⅞ after brokerage house Morgan Stanley downgraded the stock from a buy to a hold. Future Now plunged $3½ to $6 after the company announced that it would take a second-quarter charge of between $30m and $45m to cover a restructuring.

Canada

Toronto was firmer at midday as bargain hunting appeared after the [illegible] recent weakness. The TSE 300 composite index rose 21.15 to 4,064.52 at noon in 33.5m shares dealt.

The metals and mining group [illegible] 10.25 [illegible] 3,638.52 as the market waited for trading to resume in Lac Minerals and Royal Oak Mines after Royal Oak surprised the market with a C$2bn bid for Lac.

Brazil ahead as Cardoso gains in opinion poll

São Paulo rose 3.2 per cent in local currency terms instrong mid-morning volume after a poll showed [illegible] Mr Fernando Henrique Cardoso, the former economy minister, had [illegible]rowed the lead of Mr Luis Inacio "Lula" da Silva, [illegible] left-wing frontrunner, in the presidential election race.

The Bovespa index was ahead 1,181 at 38,716, after an early peak of 39,214.

Some brokers said that they had seen foreign clients selling in the market, but they added that most foreigners seemed to be staying away.

Most blue chips were higher at mid-morning, with Telebras preferred advancing 2.3 per cent to R$40.80.

Petrobras preferred rose 3.6 per cent to R$115.01 and Banco do Brasil preferred climbed 7.5 per cent to [illegible].

Mexico

Equities moved ahead in early trading, helped by Telefonos de Mexico's advance on Wall Street and the absence of an interest rate [illegible] from the US Federal Reserve.

The IPC index gained 42.82, or 1.9 per cent, at 2,352.81 as the heavily weighted Telmex "A" shares rose 1.3 per cent and its "L" shares 1.1 per cent.

S Africa finds support

Johannesburg drew support from firming world markets, but a low level of trading suggested uncertainty about short-term prospects. Gold shares were [illegible] as bullion disappointed.

The overall index finished [illegible] higher at 5,408, industrials added 23 at 6,244 and golds receded 34 to 2,087.

Anglo American gave up R1.25 at R223.75 as it came under pressure from the firming financial rand towards the close. De Beers ended unchanged at R106.50.

Minorco managed a 50-cent gain to R99.50 and Richemont declined 50 cents to R37. SAB was another R1 better at R89.

EUROPE

Banks recover on intraday rises in $ and bonds

The absence of action on the interest rate front, with the Bundesbank and the Bank of France leaving key interest rates unchanged and no decision yet in the US, was accompanied by an intraday recovery in the dollar and in bond markets, *writes Our Markets Staff.*

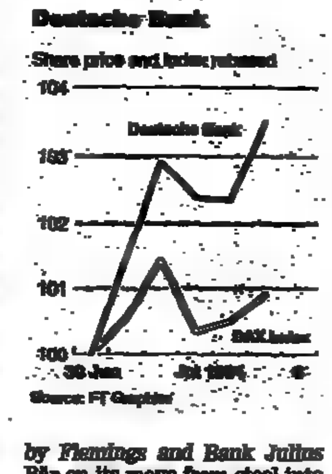
However, neither recovery was sustained in the late afternoon and accompanying equity gains, particularly in German and French banking stocks, remain to be tested today.

FRANKFURT saw a rise of 25 basis points in mid-afternoon in the September bund future and the Dax index, up 8.15 to 2,043.85 on the session, increased to an Ibis-indicated 2,049.10 at the end of the day.

In banks, Deutsche rose DM8 [illegible] and Dresdner by DM5.50 to DM378. [illegible] said that the sector had looked very oversold by the end of June and that Deutsche, in particular, seemed finally to have dealt with the repercussions of the Schneider property [illegible].

Turnover stayed thin, unchanged at DM4.6bn. On that basis, [illegible] inclined to question a couple of gains in the engineering and metals sector, where Klöckner-Werke advanced DM8.80, or 6.1 per cent, [illegible] DM153.90 and Metallgesellschaft put [illegible] at [illegible].

K-W, upgraded in the spring by Flemings and Bank Julius Bär on its move from steel into the engineering sector, was apparently the subject of a skirmish between an [illegible] seller, and a buyer who wanted to test the market. Metallgesellschaft, said the dealers, [illegible] moving slowly compared with the acceleration which [illegible] it, temporarily, to a year's high of DM286 in May.



PARIS saw a strong banking performance, particularly from Credit Local, up FFr24, or 6.6 per cent, to FFr387, and Credit Lyonnais, [illegible] or [illegible] per cent, better at FFr489, as the CAC-40 index rose 31.76, or 1.7 per cent, to 1,920.75.

BNP, CCF and Paribas were all around [illegible] per cent better. Mr Keith Baird of Kleinwort Benson looked for a recovery in the sector at the beginning of this month, saying that French banks are heavily geared to falling bad debts as the economy begins to grow again, while efficiency is improving.

Credit Local, he said, was regarded as a low risk business as a municipal lending agency, and in that context the 22 per cent rise in lending reported for the first half of the current year looked "quite impressive". Credit Lyonnais, he added, said on Wednesday that it would cut 10 per cent from its domestic staff numbers over the next three years.

[illegible] stayed low at [illegible]. Valeo lifted the automotive components sector with a 9.4 per cent rise in first-half sales, and its own shares by FFr10, or 3.9 per cent, to FFr270. Michelin tagged along, up FFr9.20, or 4.1 per cent, at FFr235.20.

ZURICH [illegible] James Capel in London downgraded Roche to a hold, taking it off the buy list for the first time in five years. The SMI index dipped 8.4 to 2,590.5.

Roche certificates fell SFr200, or 3.2 per cent, to SFr6,080 after Mr Andrew Tivenan at Capel said the downgrade was the result of the company's valuation relati[illegible] to the Swiss market and other pharmaceuticals worldwide, its exposure to the weak dollar and an expected decline in financial earnings due to weak markets.

Banks and insurers edged higher on the view that they would be less [illegible] than industrials in the short term by a weak dollar. UBS [illegible] each rose SFr4 to SFr1,175 and [illegible] respectively. [illegible] dipped SFr2 to SFr1,111.

In his latest monthly review, Mr Simon Marshall-Lockyer at Kleinwort Benson commented that the out-of-favour financials and Nestlé seemed to have reached a valuation [illegible] following massive underperformance in recent months. He expected the stocks to outperform short term and recommended buying Nestlé and SBC, both of which were at the bottom of their trading and valuation ranges.

MILAN was disappointed by the lack of further details on budget proposals and the Comit index slipped 4.27 to 691.32 in thin trade.

Plans for preliminary details of the budget to be announced after a cabinet meeting were scrapped when Mr Silvio Berlusconi, the prime minister, was absent as he prepared for the G7 summit in Naples.

Telecoms provided a bright spot after reports that the cellular business of Sip, the national telephone operator, could be split off and receive financial autonomy. Sip ended L105 higher at L4,150, while Stet, the holding company, added L85 at L5,105.

Ina, the newly privatised insurer, gave up L30 on its second day of trading to return to the placing price of L2,400. Volume fell sharply from 37.4m to 10.7m shares.

MADRID tried to stage a technical rally, lifted by the initial recovery in global bond markets, but it proved more sensitive than most to their subsequent decline and the uneven opening of equities on Wall Street. Turnover stayed low at Pta26.7bn as the general index closed only 0.32 higher [illegible] the day at [illegible].

In utilities, the downgrading of Endesa continued, with the shares losing Pta110, or 2 per cent, at Pta5,390; however, this was balanced by a gain of Pta100, or 2.7 per cent, in the [illegible] company Repsol to Pta3,755.

AMSTERDAM edged higher in thin trade ahead of the G7 meeting, and the AEX index rose 0.86 to 386.22.

KLM gave back [illegible] of its recent gains, losing 70 cents to Fl 52.10 after its June traffic figures failed to match some expectations.

Pakhoed rebounded after recent weakness, picking up Fl 1.10 to Fl 47.90.

STOCKHOLM saw rebounds in the debt market and in the Swedish crown, and the Affärsvärlden General index rose 15.0 to 1,349.70, with banks and insurance stocks up some 3.5 per cent, and construction and real estate shares almost 2.5 per cent better.

HELSINKI, an early closing market, reflected the better part of the day's sentiment in bonds, and the Hex index rose 37.8, or 2.2 per cent, to 1,743.3 with banks up 2.4 per cent and Nokia FM14 better at FM468.

Written and edited by William Cochrane and Michael Morgan

FT-SE Actuaries Share Indices

Jul 7								THE EUROPEAN SERIES
Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1316.74	1317.31	1320.75	1320.94	1319.90	1320.10	1319.00	1320.32
FT-SE Eurotrack 200	1355.62	1358.81	1358.79	1359.78	1358.94	1357.62	1357.23	1358.40

	Jul 6	Jul 5	Jul 4	Jul 1	Jun 30
FT-SE Eurotrack 100	1312.04	1316.56	1326.67	1314.32	1322.34
FT-SE Eurotrack 200	1349.65	1354.71	1365.52	1351.97	1352.66

Base 1000 (26/10/90) [illegible]

ASIA PACIFIC

Nikkei fails to find direction but Sydney falls 1.5%

Tokyo

Tokyo would have been happier with a day's holiday, said dealers, as first section turnover fell from 367.5m shares to an estimated 270m, and the Nikkei index ended marginally easier, *agencies report.*

Uncertainty over currency direction and investor reluctance to move actively ahead of the Group of Seven (G7) summit and settlement of July options kept trade muted.

The three-day G7 summit in Naples, and July options settlement (SQ) both start today. A Sanyo Securities trader said active trade was discouraged by SQ and the fact that people know no fresh factors will emerge from the summit.

"I wouldn't [illegible] sentiment is bad," he added. "People have been going for indi[illegible] issues, especially stock [illegible] to Aids and consumer spending."

For example, Kissei Pharmaceutical ended Y170 [illegible] Y4,420, and Japan Energy Y13 better at Y487 on brisk turnover of 9.51m shares.

The Nikkei 225 average finished 9.01 down at 20,620.03, after a day's high of 20,724.24 and low of 20,594.12. Mr Michio [illegible] general [illegible] Deutsche Bank Capital Markets, said the market was slightly depressed by a flurry of selling by a foreign securities house just before the close, but [illegible] added [illegible] it picked [illegible] as index-linked buying kicked in.

The Topix index of all first section stocks ended 2.22 off at 1,668.43 and the Nikkei 300 eased 0.58 to 302.85, while falls led advances by 539 to 381, with [illegible] issues unchanged. In London the ISE/Nikkei 50 index gained 5.37 at 1,356.82.

Advancing sectors were led by rolling stock, airlines, pharmaceuticals, trucking, autos, credit/lease and food. The railways and buses sector posted the largest loss, followed by ceramics, brokerages, miscellaneous manufacturing, warehouses, retail and shipbuilding.

Hanwa fell Y21 to Y587 on talk that its main creditor or creditors may stop helping [illegible] the restructuring of the financially troubled company.

Terumo, a market star in the previous two days, retreated Y50 to Y1,170 on brisk profit-taking following a strong gain on its involvement in the development [illegible] three-dimensional television screen.

Roundup

Pacific [illegible] mixed, as they remained wary about the outlook for US interest rates.

SYDNEY fell sharply in afternoon trade, disheartened by a sell-off on the [illegible] market and weaker blue chips. The All Ordinaries index tumbled 29.0, or 1.5 per cent, to 1,963.2.

Western Mining, which on Wednesday announced an alumina merger with Alcoa, dipped 29 cents, or 4.1 per [illegible], to a two-month low of A$6.73.

Among blue chip stocks, BHP lost 32 cents at A$17.68, CRA [illegible] cents to A$17.70 and News Corp, which on Wednesday said it had purchased a 1.7 per cent stake in rival newspaper group John Fairfax Holdings, dropped 14 cents to A$8.16. Fairfax closed 10 cents, or 3.7 per cent, firmer at [illegible].

HONG KONG saw early losses reversed as a dip below 8,300 in the Hang Seng index triggered bargain hunting. The index ended a net 35.94 up at 8,490.86 in turnover that rose to a provisional HK$3.2bn from Wednesday's HK$1.9bn.

The early decline was attributed to news that Hongkong and Shanghai Banking had reported a 34 per cent drop in mortgage lending in June.

HSBC finished steady at [illegible], but [illegible] property issues, Cheung Kong slipped 50 cents to HK$31.30, Henderson Land 20 cents to HK$33.90 and Hongkong Land 25 cents to HK$18.55. Sun Hung Kai Properties [illegible] on 50 cents at [illegible]70.

WELLINGTON edged lower, the NZSE-40 Capital index shedding 17.88 to 1,986.25, just off the year's low of 1,961.30 set on May 27. Turnover picked up, however, to a healthy NZ$46.2m as investors continued to switch to larger stocks exposed to recovering commodity prices and the world economy, and away from second liners.

Fay Richwhite, the merchant bank, fell 10 cents to 60 cents [illegible] on Wednesday that it would just break even for the year.

MANILA firmed slightly at the close on some late bargain hunting in PLDT and Manila Electric. The composite index added 1.48 at 2,629.23.

The newly listed SM Prime Holdings cornered the bulk of trading but ended unchanged at 5.50 pesos. PLDT stayed at its year's low of 1,540 pesos, but Meralco "B" shares, open to all investors, climbed 2.3 per cent to 332.50 pesos.

SEOUL was pulled down by [illegible] heavily weighted on the index, but [illegible] there were selective gains in small and medium-capitalised shares. The composite index lost 7.77 at 945.71.

Investment trust companies were seen to be active sellers ahead of an August 10 deadline for repaying Won2,100bn in soft loans to the [illegible] bank.

TAIPEI [illegible] early gains eroded and closed slightly lower, but brokers expected that strong demand for elec[illegible] petrochemicals would continue to support the market in the near term.

The weighted index fell 19.84 to 6,095.34 in turnover [illegible] remained active at T$75bn, but below Wednesday's T$86.52bn.

SINGAPORE was broadly lower on a lack of institutional interest and the Straits Times Industrial index receded 20.76 to 2,146.01. Much of the decline was attributed [illegible] er & Neave, down 70 cents at S$15.70 on news that its Coca-Cola venture in Ho Chi Minh has been put on hold.

KUALA LUMPUR [illegible] softer in moderate trade, pressured by blue-chip selling. The composite index dipped 13.99 to 981.37.

Among blue chips, Tenaga was marked 50 cents lower to M$13.30 after a brokerage report [illegible] the [illegible] giant would [illegible] adversely affected by competition from independent producers after the launch of a Malaysian power grid code.

BANGKOK rebounded from the day's lows on a flurry of last-minute buying. The SET [illegible] higher [illegible] 1,302.86.

Jasmine International, which made its debut on the market, closed at Bt320 compared with its initial public offering price of Bt345.

BOMBAY ended lower after a midsession recovery was [illegible] sustained. The BSE 30-share index retreated [illegible] 4,048.61, with local investors unwilling to commit fresh funds.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd, Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY JULY 6 1994								TUESDAY JULY 5 1994					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	52 week High	52 week Low	Year ago (approx)
Australia (68)	164.84	-0.7	157.73	102.25	134.42	150.95	-0.7	3.65	165.92	158.67	103.65	136.52	151.98	188.15	135.69	135.69
Austria (17)	186.64	1.1	178.58	115.77	152.20	151.96	0.1	1.05	184.64	177.60	115.34	151.92	151.75	195.41	143.15	143.15
Belgium (37)	167.84	0.1	160.60	104.11	136.87	134.21	-0.6	4.12	167.72	161.40	104.77	137.59	135.04	178.67	143.62	146.75
Canada (108)	122.72	0.1	117.43	76.12	100.07	123.14	-0.1	2.75	122.53	117.92	76.54	100.82	123.22	145.31	120.54	126.14
Denmark (33)	260.31	0.3	249.08	161.46	212.27	218.40	-0.5	1.36	259.61	249.84	162.18	213.60	219.41	275.79	207.58	214.48
Finland (24)	148.26	0.6	141.87	91.96	120.90	161.82	-0.3	0.85	147.32	141.78	92.03	121.21	162.08	156.72	96.42	98.29
France (97)	163.37	1.2	156.32	101.33	133.21	137.97	0.5	3.25	161.39	155.32	100.82	132.79	137.33	185.37	146.60	150.98
Germany (58)	138.84	1.0	132.88	85.98	113.05	113.06	0.1	1.85	137.25	132.09	85.74	112.93	112.98	147.07	109.56	109.56
Hong Kong (58)	343.96	-1.9	329.12	213.34	280.46	341.23	-1.9	3.48	350.60	337.40	219.02	288.47	347.86	506.56	271.42	289.06
Ireland (14)	185.50	0.8	177.50	115.06	151.27	170.63	0.4	3.58	184.12	177.19	115.02	151.49	169.93	209.33	155.93	161.20
Italy (60)	84.72	1.8	81.06	52.55	69.08	98.80	0.8	1.60	83.42	80.28	52.11	68.64	98.00	97.78	57.88	67.55
Japan (469)	169.83	-0.2	162.51	105.34	138.49	105.34	-0.9	0.73	170.10	163.70	106.26	139.96	106.26	170.10	124.54	146.14
Malaysia (98)	458.06	-0.5	438.30	284.12	373.53	459.52	-0.6	1.78	460.14	442.82	287.45	378.60	461.65	621.68	322.60	332.60
Mexico (18)	1915.36	0.3	1832.75	[illegible]	[illegible]	7114.56	0.3	1.88	1910.30	1838.35	1193.33	1571.74	7094.83	2647.06	1461.21	1495.86
Netherland (27)	201.10	[illegible]	192.42	124.73	163.99	[illegible]	-1.0	3.52	201.40	193.82	125.81	165.71	169.17	207.43	164.59	166.62
New Zealand (14)	65.88	-0.4	63.04	40.86	53.72	[illegible]	-0.6	4.07	65.12	63.63	41.31	54.40	59.17	77.59	51.82	51.86
Norway [illegible]	[illegible]	0.5	184.03	119.29	156.63	179.61	-0.2	1.84	191.37	184.16	119.54	157.45	180.01	206.42	153.27	154.58
Singapore (44)	325.63	-0.9	311.59	201.98	265.54	228.00	[illegible]	1.85	328.61	316.24	205.26	270.38	230.51	375.92	244.27	251.08
South Africa (59)	261.43	-0.8	250.15	162.15	213.18	276.68	[illegible]	[illegible]	263.44	253.52	164.57	216.75	278.98	284.66	175.93	210.46
Spain (42)	133.66	-1.0	127.89	82.90	108.99	132.01	-0.9	[illegible]	[illegible]	[illegible]	[illegible]	111.09	133.65	165.79	116.38	123.91
Sweden (36)	196.70	-0.4	188.21	122.01	160.40	228.86	-1.2	4.39	[illegible]	[illegible]	[illegible]	162.52	229.33	[illegible]	[illegible]	188.36
Switzerland (47)	161.54	0.3	154.57	100.20	131.73	132.09	-0.3	1.75	161.00	154.94	100.56	132.47	132.56	178.66	124.46	127.87
United Kingdom (205)	186.30	0.0	178.26	115.55	151.92	178.26	-0.4	1.84	[illegible]	179.30	116.39	153.30	179.30	214.96	170.32	175.00
USA (519)	[illegible]	[illegible]	174.15	112.89	148.41	182.00	-0.6	4.23	[illegible]	175.21	113.73	149.80	182.06	186.04	178.95	180.71
							0.0	2.95								
EUROPE (720)	163.97	0.4	156.90	101.71	133.71	147.55	-0.3	3.16	[illegible]	157.21	102.05	134.41	147.97	176.58	142.46	143.35
Nordic (116)	198.60	0.0	[illegible]	[illegible]	[illegible]	[illegible]	-0.3	1.52	198.63	191.15	124.06	163.42	166.30	230.60	180.29	160.96
Pacific Basin (750)	175.37	-0.3	[illegible]	108.77	[illegible]	114.10	-0.9	1.04	175.67	169.25	109.67	144.71	115.14	175.67	134.79	150.00
Euro-Pacific (1470)	170.45	0.0	[illegible]	105.72	[illegible]	[illegible]	-0.7	1.90	170.46	164.06	106.60	140.27	128.70	170.78	143.88	147.16
North America (625)	178.33	0.0	170.69	110.61	[illegible]	177.97	0.0	[illegible]	178.37	[illegible]	111.43	146.76	178.04	192.73	175.67	177.44
Europe Ex. UK (515)	148.18	[illegible]	[illegible]	[illegible]	[illegible]	128.96	-0.1	[illegible]	147.30	[illegible]	92.02	121.19	129.01	157.47	128.57	128.80
Pacific Ex. Japan (281)	233.76	-1.1	223.68	[illegible]	190.62	210.61	-1.1	[illegible]	238.32	[illegible]	147.63	194.45	212.92	256.21	164.83	188.14
World Ex. US (1653)	170.95	0.0	163.56	106.04	139.40	130.97	-0.6	1.92	171.00	[illegible]	105.82	140.69	131.81	172.51	145.58	147.90
World Ex. UK (1967)	172.37	0.0	164.93	106.91	140.56	143.74	-0.4	2.08	172.42	[illegible]	107.71	141.66	144.55	175.68	155.96	155.31
World Ex. So. Af. (2113)	173.10	0.0	165.63	107.37	141.15	145.68	-0.4	2.25	173.14	[illegible]	108.16	142.45	146.80	178.56	157.61	157.70
World Ex. Japan (1703)	178.12	0.0	170.44	110.46	145.25	170.34	-0.2	3.00	178.07	[illegible]	111.24	146.51	170.72	195.20	166.06	166.11
The World Index (2172)	173.62	0.0	166.13	107.69	141.56	146.96	-0.4	2.28	173.67	[illegible]	108.49	142.89	147.50	178.97	157.89	157.97

Latest prices unavailable for this edition. CONSTITUENT CHANGES (14/7/94): DELETION: Paramount Comms (USA); ADDITION: Viacom "B" [illegible]

Jobs: Looking beyond the basic career requirements of your company is [illegible] useful enlistment aid

Lateral lures can pull in people

Akio Morita, chairman and founder of Sony, the Japanese electrical giant, was asked some years ago why there had been so much Japanese investment in the UK ahead of its other European partners.

He listed a string of attractions: political stability, relatively cheap and trained labour force, good internal communications, English language, telecommunications. Then he paused and said: "But the real reason was the golf courses."

What goes for Japanese investment also goes for recruitment, yet many advertisers fail to tap into the hidden desires of potential recruits.

We might all learn something from the resourceful town councillors of Adaminaby, a small town in the Snowy Mountains region of Australia's New South Wales. Adaminaby's doctor has just retired and the town is having problems finding a new one.

Instead of circulating the job in the medical press, Adaminaby has chosen to capitalise on its chief asset. Set just five miles from Lake Eucumbene, Adaminaby [illegible] acknowledged [illegible] the trout fishing capital [illegible] the letter in [illegible] Trout and Salmon [illegible] published in the UK. Anyone suitably qualified should telephone 010 6164 542351.

The town councillors of Adaminaby, whether they know it or not, are engaging in what is termed, in the US, "lateral recruitment", the sort of idea for which consultants demand very high fees.

US computer [illegible] manufacturers have been known [illegible] search among Hollywood screenwriters for potential candidates, but perhaps the most marked example of this practice in the UK was the advertisement taken [illegible] by Chemical Bank [illegible] Flight International magazine in April for "numerate, risk-oriented, confident and highly ambitious professionals" to [illegible] as dealers.

The theory was that air traffic controllers, used [illegible] reacting [illegible] movements on screens under pressure, would be good dealers. What the theory did not take into account was that they must be risk averse, not risk takers.

While Chemical Bank may have missed the target, it is clear that some recruiters are prepared to cast their net in unusual areas to fill a job. Ben & Jerry's Homemade, the Vermont-based manufacturer of quality ice cream, is seeking a new chief [illegible] for [illegible] business which last year notched up [illegible] in sales.

The search has been prompted by the resignation [illegible] Ben Cohen, the chief executive who founded the business with Jerry Greenfield in 1978.

The manufacturer is known for its quirkily-named flavours, such as Chunky Monkey and Cherry Garcias, and its support for charities and righteous causes.

For the first time the company is abandoning its pay policy that has limited executive salaries to no more than seven times the lowest wage, a decision which Cohen, who remains chairman, described as the hardest the board had made.

Realistically, the company did not think it would get the highest-calibre people using the old policy.

The company has lost none of its novelty. While it has engaged a recruiting firm, the post has also been advertised on Ben & Jerry's ice-cream tubs with the added incentive that the runner-up in the appointment contest will get a lifetime's supply of ice cream.

Applicants are asked to explain in 100 words or less "Why I would be a great CEO for Ben & Jerry's". By last Friday there were 15,250 applications with several thousand more through the letter box over the holiday weekend.

One application came on a brass plate mounted on marble, another on a large flat cake and another on parchment script. In spite [illegible] the competition, the suspicion is that most applicants are hoping to come second.

The lesson from all [illegible] approaches is that lateral lures are worth exploring when fishing for people but care must be taken when hauling them in. You're never quite sure what you've hooked.

Counting the cost

Investment banks are finding [illegible] good-quality [illegible] staff, according [illegible] Robert [illegible] Associates, recruitment consultants.

The firm [illegible] that [illegible] the end [illegible] year, [illegible] trading houses began to require specialists capable of handling sophisti[illegible] products, instead of people fulfilling more general roles.

The development reflects the need for [illegible] keep [illegible] with the [illegible] more complicated [illegible] inventive derivatives trading emerging in the market.

The [illegible] this year of Joseph Jett, the Kidder Peabody trader, who allegedly ran [illegible] that led to profits being overstated by $350m, resulted in an attack of nerves among the securities firms on both sides of the Atlantic anxious to ensure their internal controls were effective.

While some have been content to take on newly qualified accountants and train them, others are demanding highly qualified people who understand business processes.

Walters says: "The last time the City was so buoyant the cry was 'get me bodies' but now we are finding that the calibre of people being requested is so much higher and the standard is being maintained."

There are also signs, he says, that some firms are returning to the so-called golden hello or joining fee and guaranteeing an [illegible] bonus.

Roberts Walters adds that word of mouth is proving the most effective way of finding candidates. Its own office in Bedford Street resembles a small city dealing room, only the calls are to match people to jobs instead of buyers to sellers.

IT shortfall exposed

Meanwhile, the speed of technological change is leading to shortages in the information technology industry, according to the Anglo-Dutch CMG Computer Management Group which launched a recruitment drive for 400 staff for its information processing and consultancy [illegible]

Colin Osborn, [illegible] director responsible [illegible] resource [illegible]ment in the UK, says that [illegible] junior [illegible] the computer industry was paying the price for not giving graduates opportunities two years ago. As a result, he says: "Skills [illegible] some areas are almost non existent and so demand for talented people, [illegible] example with Oracle skills, [illegible] very competitive."

More than half of its UK recruitment was at a junior level, 30 per cent from intermediate level and about 10 [illegible] senior level, mainly in business development, sales and project management.

Down and outs

The newly launched Institute [illegible] Personnel and Development has committed itself [illegible] reducing the jargon which has pervaded the profession in [illegible] years.

There is much to be done. To give some idea of the mysteries of human resource management, here is [illegible] cynic's glossary [illegible] personnel terms for managers.

- Downsizing: getting rid [illegible] half your employees.
- Delayering: getting rid [illegible] your promotion prospects.
- Empowerment: getting rid of your responsibilities.
- Outsourcing: getting rid [illegible] the work.
- Outplacement: saying goodbye with [illegible] smile.
- Rightsizing: correcting your mistake.
- Flex Programme: doing other people's jobs
- Stress management: [illegible] with those who think they'll be [illegible] rid of.

There are more but that should [illegible] for now.

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To apply, please write, enclosing a detailed CV and indicating your current salary and benefits, to Mrs C M Lambert, Assistant Director, Hambros Bank Limited, 41 Tower Hill, London EC3N 4HA. Tel: 071-480 5000.

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European Business Development - German Market

London

LIFFE - the London International Financial Futures and Options Exchange - ist Europas führender Handelsplatz für Futures und Optionen. Wir bieten das weltweit umfassendste Angebot an Zinsprodukten und erreichen im Handel weiterhin Rekordvolumina.

Unser motiviertes internationales European *Business Development Team sucht einen* hochkarätigen Mitarbeiter für die Entwicklung unserer Geschäftsbeziehungen mit besonderem *Schwerpunkt auf Deutschland* und dem europäischen Kontinent. Ihre Aufgabe umfasst die Formulierung und Implementierung von Strategien, um LIFFEs führende Rolle im europäischen Markt auszubauen. Es ist besonders wichtig, den permanenten Kontakt zwischen der Börse und ihren deutschsprachigen Marktteilnehmern zu pflegen. Die Einführung *neuer Produkte, Aktivitäten im Marketing- und* Ausbildungsbereich und die Erstellung qualitativ hochwertiger Informationsmaterialien liegen in ihrem Verantwortungsbereich.

Nach einem wirtschaftswissenschaftlichen Studium sollten Sie mindestens zwei Jahre Berufserfahrung im Bereich Zinsprodukte/ Derivative Instrumente gesammelt haben und über umfangreiche Kenntnisse des deutschen Finanzmarktes verfügen. Neben der fachlichen Qualifikation sollten Sie die Befähigung zur Mitarbeiterführung besitzen.

Ihr Gehalt wird um ausgezeichnete Zusatzzahlungen und Beteiligung an den Umzugskosten erweitert. Bitte senden oder faxen Sie Ihre aussagefähigen Bewerbungsunterlagen sowie Angaben zu Einkommensvorstellungen an Helen Jenkins, Personaldirektor, LIFFE, Cannon Bridge, London EC4R 3XX, England. Fax: +44 71 628 5933.

LIFFE

The London International Financial Futures and Options Exchange

An Outstanding Environment For New Graduates

Murray Johnstone [illegible] leading investment management groups, currently managing [illegible] of several billion *pounds. We operate on a global basis and our* business [illegible] Investment Trusts, Unit Trusts, Pension Funds, [illegible] Capital and *Private Clients. Our clients' needs, together* with the demands of a sophisticated market place, ensures the working environment [illegible] pressured, exciting and characterised by rapid change.

Many of our directors and senior managers joined us as [illegible] graduates and we are seeking to continue this tradition by recruiting [illegible] who can demonstrate [illegible] abilities needed to succeed. [illegible] high [illegible] who possess good *communication skills, coupled* to drive, maturity and a capacity for hard work. Ideally, you will be a [illegible] graduate in economics [illegible] mathematics, although graduates in other [illegible]ciples will be given equal consideration. The positions would also suit recently qualified [illegible]. All [illegible] must [illegible] both quantitative and computer literacy skills.

We offer wide ranging challenges, high quality training, and rapid [illegible] development prospects. [illegible] salary packages are offered together with a range of benefits you would associate with a high profile financial services company. [illegible] assistance will be provided as appropriate.

MURRAY JOHNSTONE

Applications in writing, giving brief but comprehensive details should be forwarded to Chris Jackson, Director of *Corporate Services*, Murray Johnstone Ltd, 7 West Nile Street, Glasgow G1 2PX.

TOTAL QUALITY MANAGEMENT:

[illegible] Business Analysis/Business Process Re-[illegible]

London [illegible] Circa £40K + [illegible]

[illegible] the leading specialist provider of investment capital to unquoted businesses in the UK. They seek an outstanding internal consultant to provide critical infra structural support during their transformation into a leading public company.

This hybrid role requires skills that can encompass business user-needs analysis, business process re-engineering and effective implementation skills. Strong competencies in structured project management, financial control and business planning should be supplemented with attributes of commercial acumen, consultative interpersonal skills, lateral thinking plus initiative combined with [illegible] discipline to complete [illegible]

You may be a graduate ACA or an MBA or other equivalent. You may be currently in a major consultancy, Accountancy firm, Software house, financial institution [illegible] You are seeking a [illegible] senior line role and [illegible] progress. You will report to [illegible] Director heading up [illegible] Seldom is there an opportu[illegible] the right place at the [illegible] right thing. This [illegible]

To apply please write [illegible] quoting ref [illegible] to [illegible]

WHEALE · THOMAS · [illegible]

Banking and Capital Markets

Baring Brothers & Co., Limited is seeking to recruit executives for its Banking and Capital Markets department. The department is involved in arranging finance for a wide range of clients in the banking markets and through private placement and structured debt issues. Successful candidates will gain a broad exposure to the activities of an international investment bank.

With two to three years' directly relevant experience, candidates should be able to demonstrate enthusiasm, imagination and impressive communication skills. They are likely to be aged 23-26, graduates and/or professionally qualified and should also possess a high degree of numeracy, combined with good analytical and computer skills.

Salary will be negotiable according to experience and the package includes a performance-related bonus.

Applicants should write, enclosing a curriculum vitae and details of current remuneration package to: Ruth Norman, Deputy Manager, Personnel, Baring Brothers & Co., Limited, 8 Bishopsgate, London EC2N 4AE.

BARINGS

EXECUTIVE SEARCH CONSULTANT

USA

Armstrong International is an Executive Search firm specialising in Investment Banking. We have an excellent client base and [redacted] reputation for high quality Executive Search amongst the European Investment Banking Community, and are now expanding our operations into the USA.

Our success is attributable to the ability and dedication of our consultants and we are now seeking new people to cover the USA, working out of our New York office after an initial training period in the UK. Applications are invited from individuals who can demonstrate the following qualifications:

- Education to degree standard from [redacted] well regarded university.
- Four years' experience in the Financial Services industry.
- Familiarity with the American [redacted]
- Aged between 28 and 40.
- Sales oriented personality.
- American national or holder of current USA work permit.

In addition, prospective [redacted] should [redacted] oriented, creative, highly motivated and [redacted] have [redacted] extremely high level of integrity.

Please call or write in the strictest confidence to:

Catherine Bolton at Armstrong International Limited, [redacted] Angel Court, London [redacted] Telephone: [redacted] 0002.

ARMSTRONG INTERNATIONAL

TREASURY OPPORTUNITIES IN THE MIDLANDS

FIXED INTEREST AND STERLING MONEY MARKETS
CAPITAL MARKETS

The Alliance [redacted] Leicester Group Treasury will be relocating from Hove, East Sussex [redacted] Leicester in the second half of 1995 and, in preparation for this move, [redacted] initially seeking [redacted] recruit high calibre dealing and origination staff in the above [redacted]

The Alliance & Leicester [redacted] UK's fourth largest building society - with profits of over £200 million - and also owns Girobank plc. The Group Treasury operation manages treasury assets totalling in excess of £5 billion and funding, from a range of markets, amounting [redacted] some [redacted] billion.

This [redacted] ideal opportunity [redacted] join an expanding and innovative organisation, where salaries and benefits are competitive - there is also a generous relocation package. The Leicestershire area [redacted] good communications and amenities, [redacted] attractive housing opportunities.

Applications [redacted] sought from candidates who have [redacted] 5 years' treasury experience in the financial markets and who will be able [redacted] bring [redacted] range of relevant [redacted] these important [redacted]

Initial induction and familiarisation will [redacted] in Hove, prior [redacted] the subsequent [redacted] Leicester.

If you are interested in joining [redacted], call our advising consultant Murray-Fraser on 0992 552552 for an informal discussion or send your CV to him [redacted] Macmillan Davies, Salisbury House, Bluecoats, Hertford, Hertfordshire SG14 1PU.

ALLIANCE LEICESTER

WE ARE AN EQUAL OPPORTUNITY EMPLOYER

MANAGEMENT OPPORTUNITIES

- *Key Managers*
- *Investment Administration*
- *Scottish Based*

Our client, a major investment organisation, has, as a result of continuing strategic expansion, a number [redacted] management [redacted] opportunities [redacted] individuals with [redacted] background experience in [redacted] administration.

These senior roles require excellent interpersonal and team management skills, as well as the ability to manage full fund account production including all related tax and compliance [redacted] Ideally, experience should have [redacted] gained in unit trust/unit-linked life/pension fund [redacted] investment [redacted] A formal accounting qualification, whilst desirable, is [redacted] essential.

[redacted] benefits package reflects the importance of these roles.

[redacted] reply service: [redacted] full [redacted] including details [redacted] current package, quoting Ref 0104 and listing separately any company to whom you do not wish your details to be sent. CV's will be forwarded directly to our Client who will conduct the interviews.

Barkers Scotland, 234 [redacted] George Street, Glasgow G2 4QY

B/A/R/K/E/R/S

OFFICES IN: GLASGOW, EDINBURGH, LONDON, BRISTOL, BIRMINGHAM, NOTTINGHAM, MANCHESTER

PORTFOLIO MANAGER

EUROPEAN EQUITIES

The London Office of a major international investment management organisation is seeking to recruit a manager to take control of a substantial portfolio of shares on the Continent. The role also involves participating in the decisions relating to the strategic positioning of the funds under management.

It is envisaged that the person appointed will be able to demonstrate a record of success in managing such [redacted] portfolio [redacted] a period of 5-10 years, having previously worked as an analyst and developed an in-depth knowledge of most large and many lesser companies on the Continent. Keen initiative necessary [redacted] well [redacted] the ability to work in a systematic and disciplined manner. Must be comfortable working as part of a team and be able to demonstrate strong communication and interpersonal skills.

Remuneration will be commensurate with ability and experience.

CV and supporting letter to be sent to:

[redacted] A2097, Financial Times, One Southwark Bridge, London SE1 9HL

The right balance?

Business & Operational Consultancy – Treasury & Capital Markets

Are you in an organisation where the focus is purely on achieving results?

At Price Waterhouse, we are looking for first class treasury and capital markets professionals who are keen to balance professional achievement with personal development and enjoyment.

The Job

You will be advising a range of blue chip investment banks, bank treasuries or capital markets operations on all aspects of their business.

You could be assisting clients in addressing market positioning, [redacted] management, profit improvement, risk management, business re-engineering, organisation development and change management.

Typically you will work in mixed client/PW teams with business, operations, accounting and IT specialists.

The Person

Intellect and stamina are taken as read. But you also need the technical expertise and experience, and the personal qualities to inspire confidence in clients at all levels. If you are presently working in the front, middle or back office or as [redacted] consultant in this fast moving market, [redacted] like to hear from you.

The Location

Your base would be London, but your work would be truly international. Our clients operate across the world. So do we. We operate as [redacted] global Treasury and Capital Markets group with teams made up of talented and enthusiastic people from the US, Europe and the Far East.

The Rewards

Naturally you will receive financial rewards in line with the market. More interesting perhaps are the career options [redacted] move [redacted] PW would open up.

Given our expanding consultancy practice, you could go a long way within one of the worlds top professional firms. Or a stint with us could be a launch pad to [redacted] top line management position. Either way the all round training and personal development will enable you [redacted] stay at the forefront of business and operational developments in a rapidly changing market.

If you are interested in finding out more please write, enclosing your CV, to Anita Harris at: Price Waterhouse, Milton Gate, 1 Moor Lane, London EC2Y [redacted]

Price Waterhouse

OPPORTUNITIES IN INVESTMENT MANAGEMENT WITH A MAJOR FINANCIAL SERVICES COMPANY.

Our Client, BASED IN THE NORTH OF ENGLAND, is a subsidiary of one of the UK's most successful financial [redacted] groups. They now require the following key personnel to complete their management team:

HEAD OF FIXED INTEREST (Ref. 0644)

Ideally a qualified actuary you must, however, have had several years previous institutional investment experience including handling an annuity fund, and be able [redacted] combine technical skills with management and organisational qualities including the ability [redacted] formulate and implement policies.

INVESTMENT MANAGERS (Ref. 0643)

For each of the following areas: UK EQUITIES – [redacted] EQUITIES – FIXED INTEREST. You must have at least 5 [redacted] fund management experience in the respective market (ideally including Japan for Overseas) and be able to demonstrate a successful track record in handling institutional money.

SETTLEMENTS MANAGER (Ref. 0645)

You will currently be occupying [redacted] managerial position within the back office settlement function of a unit trust [redacted] similar organisation but [redacted] now keen [redacted] put your leadership and administration [redacted] the test.

The packages include full re-location expenses where necessary and the working environment is of the highest standard.

To apply please write, in confidence, with C.V. quoting appropriate reference number [redacted] Nigel Barnard or Brian Burgess [redacted] Burgess Chapman Barnard, 17 The Green, Richmond, Surrey, TW9 1PX. Tel: [redacted] 6677, Fax: [redacted] 2249.

B U R G E S S
C H A P M A N
B A R N A R D

Fund Manager – Far Eastern Equities

Prolific is a well established investment house that prides itself on its consistent investment record.

Prolific manages funds in excess of £5 billion across a range of life, pensions and mutual funds with around [redacted] million invested in [redacted] Pacific Rim region.

Due to expansion, an opportunity exists to join the Far Eastern equities division for a Fund Manager specialising predominantly in the Japanese market. Experience in Japanese equities is essential.

The successful applicant will be [redacted] team player who has good interpersonal skills and the remuneration will reflect the level of the appointment and will include the usual fringe benefits.

Applications are invited from interested candidates who should indicate full career and salary details to Warren Colman, Prolific Asset Management Limited, Walbrook House, 23 Walbrook, London EC4N 8LD

PROLIFIC

APPOINTMENTS WANTED

CORPORATE FINANCIER

London-based Chartered Accountant/Merchant Banker with significant commercial and financial experience within the UK and Europe seeks interesting opportunity or challenging assignment anywhere in Europe. All replies will be acknowledged and treated in confidence.

Write to Box A2068, Financial Times, One Southwark Bridge, London SE1 9HL

FINANCIAL ANALYST: CORPORATE & BANKS

Fluent in English, working knowledge of German. [redacted] experience on [redacted] international scope and in France. Sound educational and professional background. Recent developments: derivatives products and the setting-up of the ALM reporting in a branch. [redacted] challenging new position.

Write Box A2055, [redacted] Times, One Southwark Bridge, London SE1 9HL

DUNEDIN
FUND MANAGERS LTD

Investment Manager

Japanese Equities

Excellent Package **Edinburgh**

Key appointment in this renowned Scottish investment house.
Superb opportunity for experienced investment professional.

THE COMPANY
- Dunedin Fund Managers [illegible] a successful, profitable and growing global investment management group.
- c.£5bn under management on behalf of wide range of institutional and private clients.

THE POSITION
- Manage Japanese equities invested for pension funds, investment trusts and unit trusts.
- Involvement with sector analysis and stock selection across client portfolios.
- Report to clients on investment strategy. Assist with marketing worldwide for new client accounts.

QUALIFICATIONS
- Graduate [illegible] 3-5 years [illegible] experience [illegible] as an analyst or fund [illegible] Knowledge of Japanese equities preferred.
- Influential team player with excellent communication and interpersonal skills and sound judgement.
- Keen analytical and pc skills and ability to work in a [illegible] and [illegible] manner.

Please send full cv, stating salary, ref CN2747, to NBS, Victoria Chambers, 42 Frederick Street, Edinburgh EH2 1EX

N B SELECTION LTD
a BNB Resources plc company

[illegible] 031 220 2400
[illegible] 0224 [illegible] • Birmingham 021 233 4656
Bristol 0272 291142 • Glasgow 041 204 4334
Leeds 0532 453830 • London 071 493 6392
Manchester 0625 539953 • Slough 0753 819227

Compensation negotiable *Major Asset Management Firm* **City**

Funds Marketing - Switzerland

Rare opportunity for young, bright European national to join the Global Institutional Marketing team of this highly respected asset management firm. Switzerland represents a key target market for the firm's high performing products and the potential for funds gathering is excellent.

THE ROLE
- Develop [illegible] implement a strategy for tailoring products [illegible] of [illegible] private banks and other institutions, reporting to the Managing Director.
- Build [illegible] wide network amongst key [illegible] and investors through a disciplined calling programme.
- Contribute to the firm's global marketing strategy by identifying new opportunities for product development and asset gathering.

THE QUALIFICATIONS
- High calibre graduate, aged [illegible] to 30, with a minimum of [illegible] years' experience selling financial products [illegible] institutions. Knowledge of [illegible] market and relevant languages [illegible] preferable.
- Sound marketing and communication skills with the proven ability to develop strategic long term [illegible] relationships.
- The maturity and presence to represent the firm's [illegible] at senior management level.

Leeds 0532 307774
London 071 493 1238
Manchester 061 499 1700

Selector Europe
[illegible] Stuart

Please reply with full details to: Selector Europe, Ref. [illegible]

The Royal Bank of Scotland [illegible] undergoing a period of dramatic and exciting change, re-evaluating and enhancing all areas of the business in a drive to become the best performing financial services group in the UK.

In a time of change, we're building a better future

ASSISTANT MANAGERS, CORPORATE BANKING

£23-28K+BANKING BENEFITS
LONDON

A major contributing factor in our continued success is our ability to retain the flexibility that allows us to implement change [illegible] swiftly and effectively. This in turn means greater opportunities for our people to develop.

As [illegible] graduate banking professional with experience of marketing to Corporates [illegible] Banks/Financial Institutions, you will know the importance of strong [illegible] relationships – and their role in the marketing of credit, treasury and other banking products.

Supporting the Relationship Manager, you will be involved in developing [illegible] growing portfolio of major UK clients, analysing their needs and marketing the most [illegible] product [illegible] This calls for a thorough understanding [illegible] corporate banking, coupled with strong interpersonal and credit skills.

Ambitious for real success, you may currently be in [illegible] role [illegible] looking [illegible] greater responsibilities in this field. Self-motivated, flexible [illegible] good [illegible] operator, you will be confident dealing [illegible] significant [illegible] and [illegible] communication.

In return for your [illegible] dedication, [illegible] a competitive salary [illegible] full banking benefits.

[illegible] write, in confidence, enclosing full CV [illegible] advising consultant, Peter [illegible], [illegible] Director, [illegible] Brown & Associates Limited, [illegible] London Wall Building, London [illegible] 5PP. Tel: [illegible] Closing [illegible] for applications 20th July 1994.

Committed to Equal Opportunities

The Royal Bank Of Scotland
WHERE PEOPLE MATTER

PETRO-CHEMICAL TRADER

International Trading Group

We [illegible] rapidly expanding trading group with [illegible] interests in the *CIS including oil* trading [illegible] transportation, commodity trading, banking and construction.

We [illegible] Trader for our [illegible] in Moscow [illegible] co-ordinate the purchasing and transportation [illegible] products from refineries in Russia.

The successful [illegible] will be able to demonstrate [illegible] comprehensive knowledge of the *Petro-Chemical and Oil Refining industry and experience of transportation, storage and* [illegible] *systems.*

[illegible] to [illegible] nature of the position offered, the candidate will initially be based in Moscow although [illegible] from time to time will [illegible] required.

A comprehensive salary and incentive scheme [illegible] offered with [illegible] exceptional opportunity.

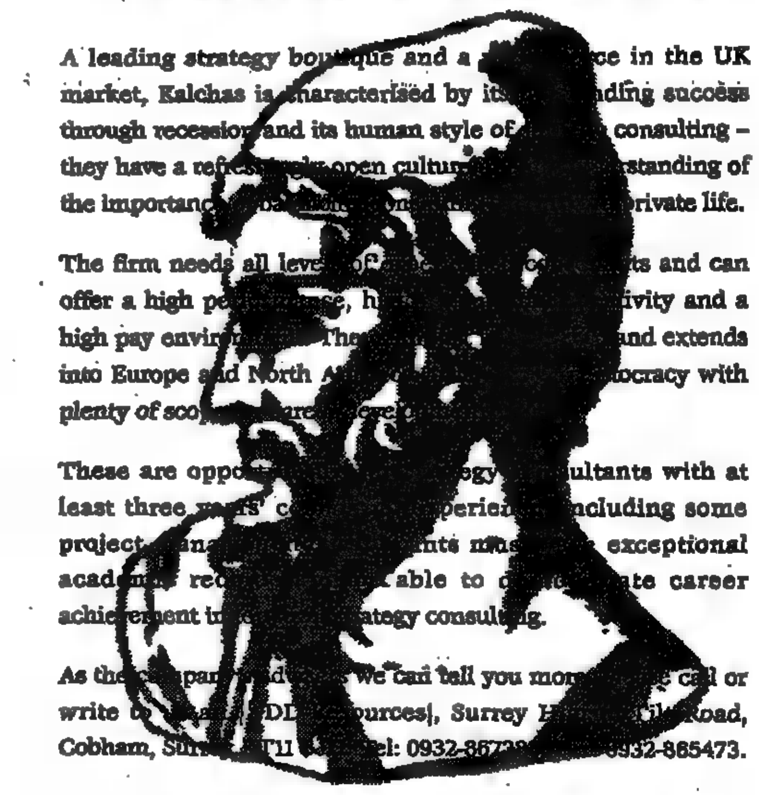
PLEASE SEND [illegible] DETAILED CURRICULUM VITAE IN CONFIDENCE TO:

Box A2096, Financial Times, One Southwark Bridge, London SE1 9HL.

U.S. Primary Dealer seeks fixed income [illegible] and trading personnel in the U.K. Interested applicants should have [illegible] minimum of 5 years experience with [illegible] commensurate customer base. Competitive salary and bonus.

Applicants can send resume in confidence to: Box A2095, Financial Times, One Southwark Bridge, London SE1 9HL.

STRATEGY CONSULTANTS



A leading strategy bou[illegible] and a [illegible] in the UK market, Kalchas is characterised by its [illegible] success through recession and its human style of [illegible] consulting – they have a [illegible] open culture [illegible] standing of the importance [illegible] private life.

The firm needs all level[illegible] and can offer a high pe[illegible], h[illegible] and a high pay enviro[illegible] and extends into Europe and North A[illegible] with plenty of sco[illegible]

These are oppo[illegible] consultants with at least three years' c[illegible] including some project [illegible] exceptional academ[illegible] able to [illegible] career achievement i[illegible] strategy consulting.

As the [illegible] we can tell you mor[illegible] or write to [illegible] DD [illegible] Resources], Surrey H[illegible] Road, Cobham, Surrey KT11 [illegible] Tel: 0932-86729[illegible] 0932-865473.

"Kalchas was a key strategic [illegible] of classical Greek times, and he has lent his name to the UK's most exciting strategy consulting firm."

PENSION FUND INVESTMENT RELATIONSHIP MANAGEMENT

A key role in managing and developing European client relationships for one of the City's most prestigious fund managers

Our client is among [illegible] world's most respected investment management organisations. As a result of continued business growth, this [illegible] position [illegible] created to service the Continental European institutional client base.

Working in a small, highly professional team, you will have full responsibility for managing relationships [illegible] existing clients to whom you will provide authoritative advice [illegible] international fund management and regular written reports and performance reviews. You will also [illegible] local marketing offices in developing new business.

To be a candidate, you must be a graduate, probably aged 27-33, with a thorough understanding of the principles of fund management. Specific experience of Far East markets would be an advantage, and, ideally, knowledge of a second European language. Above all, you must have excellent communication and presentational skills and be able to establish a high level of credibility with clients and with in-house fund managers.

This [illegible] an outstanding career opportunity, offering scope for future progression to senior levels within an institu[illegible] of the highest quality. The salary [illegible] benefits package will be attractive [illegible] candidates of the required calibre.

[illegible] Tony Tucker

Fax 071-626 9400

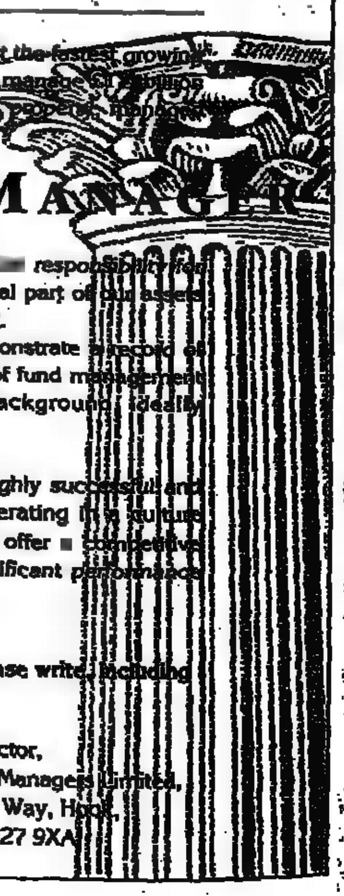
Cleary Court, 21-23 St. Swithin's Lane
London EC4N 8AD
Financial Recruitment Consultants

Telephone 071-626 1161

SHEPHERD LITTLE

Providence Capitol

Providence Capital Portfolio Managers is one of the fastest growing asset management companies in the UK. We manage [illegible] of assets in a variety of equity, bond, deposit, property, managed and hedge funds.



GLOBAL FUND MANAGER

We [illegible] appoint a portfolio manager to [illegible] responsibility for our global managed funds which are a material part of our assets and have a long, excellent performance record.

The successful candidate will be able to demonstrate a record of excellent performance in one or more areas of fund management [illegible] a suitable educational background, ideally including a CFA [illegible] IIMR qualification.

This [illegible] challenging opportunity to join a highly successful and [illegible] investment professionals operating [illegible] supports [illegible] achievement. We offer [illegible] competitive [illegible] package including a significant performance bonus element.

If this sounds like the opportunity for you please write, including a full CV, to

PROVIDENCE CAPITOL

Kevin Carter, Managing Director,
Providence Capitol Portfolio Managers Limited,
Providence House, 2 Bartley Way, Hook,
Basingstoke, Hampshire, RG27 9XA

Staffordshire
UNIVERSITY

Vice-Chancellor

The current Vice-Chancellor, Keith Thompson, is retiring on [illegible] August 1995 and the Board of Governors is seeking to appoint a successor who will build on the substantial achievements of the University. The person appointed will have significant, successful, senior level administrative and management experience in a University or higher education institution or in an organisation of comparable size and complexity.

Persons interested in being considered for the post are invited to seek further information from Mr K B G Sproston, University Secretary.

Applications which should include a CV, should be submitted, in confidence, [illegible] Mr D N Scahill, Chair of the Board of Governors c/o The University Secretary, Staffordshire University, Beaconside, Stafford ST18 0AD. Telephone: 0785 275201 Fax: 0785 45441, by no later than 31 August 1994.

The Board of Governors regards direct application as the preferred route for this appointment but does not preclude third party suggestions.

As an Equal Opportunities Employer, we welcome applications from all sections of the community

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ISL MARKETING AG

A unique opportunity has arisen within ISL Marketing AG, a leading international sports marketing company based in Switzerland, for a successful sales and marketing professional. Extensive experience in international sales, consumer marketing and the communications industry, combined with the ability to work in a multicultural environment, will make the successful candidate ideally suited to fill the position of

[illegible]

ISL is the world's leading sports marketing company, representing international sports federations and their major events. ISL handles the marketing of the Olympic Games, the Football World Cup and European Championship, the World Athletic Championships as well as other top sports events.

As a member of management, the successful candidate will be part of the team developing, promoting and selling international sports sponsorship programmes for ISL's core sports and ancillary packages, as well as for ISL's specialist divisions of Research, Hospitality, Television, Licensing [illegible] Sponsor Services.

This challenging position requires a confident personality, able to establish and [illegible] high level contact with international corporations, sports federations and governments. Complete fluency in English and German are essential. Additional languages would be an advantage, and applicants must have an international outlook and be prepared to travel extensively.

To apply, write with full CV and salary requirements to ISL Marketing AG, [illegible] Box 3338, [illegible] Lucerne, Switzerland, attention: Personnel Director.

Career development opportunities with Deutsche Bank

The unprecedented growth of our OTC Derivatives group has [redacted] the [redacted] for experienced application programmers. The individuals we [redacted] will work in [redacted] well-supported development environment. These are „high visibility" positions demanding frequent interaction with our traders, sales and marketing personnel and support staff. You will be offered [redacted] versatile and interesting job with good career prospects.

The preferred candidates will have [redacted] record of significant accomplishments in the following areas:
- OpenLook or MOTIF
- SQL Databases and
- Quantitative/Analytic applications
- Object Oriented methodologies and
- the „C" programming language

[redacted] our operations are global in scope, most communication is in English. However, [redacted] knowledge of German would [redacted] advantageous.

Applications programmer OTC Derivatives

We value our programmers! Deutsche Bank offers [redacted] challenging and rewarding environment, substantial growth opportunities, and [redacted] attractive benefits package. [redacted] positions are located [redacted] our [redacted] Office in Frankfurt. Frankfurt [redacted] [redacted] city of professionals and affords [redacted] high quality lifestyle with year-round cultural and sporting opportunities.

Those interested should contact Mr. Graubner-Mueller directly [redacted] +49-69-9103-8157. Applicants may [redacted] forward [redacted] detailed [redacted] [redacted] Ms. A. Kaufhold, Deutsche Bank AG, Central Personnel Office, Mainzer Landstraße 16, 60262 Frankfurt am Main, Germany.

[redacted] us have [redacted] talk.

Deutsche Bank

ISRAELI EQUITIES RESEARCH ANALYST

Our client, a leading international bank, is building [redacted] its [redacted] in emerging markets. In line with its current expansion plans for emerging market equities in London, the [redacted] is seeking to [redacted] an analyst to take responsibility for producing company analysis within various sectors of the [redacted] equity market.

The chosen candidate, ideally a graduate in his or her late 20s to early 30s, will have a minimum of two years' prior experience in the analysis of Tel Aviv-listed shares. Any additional experience gained from analysing exclusively U.S.-listed Israeli stocks will be advantageous. He [redacted] she will be fluent in Hebrew in addition [redacted] English in order [redacted] able to analyse effectively all published Israeli company reports. Strong interpersonal skills are required in order also to assist with the firm's Israeli marketing and/or its equity distribution capabilities.

The position provides [redacted] highly competitive salary and benefits package, including significant bonus potential. Career prospects both within the department and the bank [redacted] a whole are excellent. To apply, in strict confidence, please write enclosing a copy of your curriculum vitae to Neil Salt [redacted] the address/fax below, quoting reference NAS 2149.

Salt Chapman Associates

International Search and Selection
Princes House, 36 Jermyn Street, London SW1Y 6DT.
Tel: 44-71-434 1319. Fax: 44-71-434 [redacted]

CAREER OPPORTUNITIES IN INDONESIA

A leading Jakarta based Securities firm is looking for qualified candidates with university degrees for [redacted] following positions:

1. **EQUITY SALES (E8)**
   - Degree in Finance or [redacted] related.
   - Minimum 3 years experience in Equities Sales [redacted] as [redacted] Securities Analyst.
   - Must [redacted] highly self [redacted] and [redacted] driven.
   - Excellent spoken and written English.
2. **SENIOR RESEARCH ANALYST (SRA)**
   - Degree in Finance or Accounting preferred.
   - Minimum [redacted] years working experience as a [redacted] Analyst.
   - Excellent written English required.
   - [redacted] motivated and able [redacted] work independently
3. **ENGLISH TECHNICAL WRITER (ETW)**
   - Degree in Journalism or English Literature.
   - Writing Experience (for [redacted] Media preferred).
   - Financial [redacted] Industrial technical writing experience preferred.
   - Financial [redacted] Accounting background a big plus.

PT Makindo [redacted] offers complete expatriate package commensurate with qualifications and experience. Please [redacted] all correspondences to:
(5221) 375 784 or 570 1747
[redacted] Couhault
PT Makindo Securities
3rd floor Gadung Burse
Jl. Medan Merdeka Selatan No. 14
Jakarta, INDONESIA

We're taking off!

CFP Commerzbank derivatives house is starting. We're inviting the best in derivatives to join us. For Frankfurt and Paris, we're looking for derivatives experts in:

Marketing, Sales, Trading

with a minimum of three years of experience in marketing, sales, trading or proprietary trading in the fields of interest rates, equities and currencies; strong academic background is beneficial.

We're also searching for:

Senior Market Economists

who will analyse markets, run scenarios and look for "windows and opportunities".

Together, we will issue the products of the next generation. If you like handling risk and look for a new challenge, we should talk to each other. Please send your résumé to CFP, Achim Hahlbeck, Neue Mainzer Straße 32 – 36, D-60261 Frankfurt. Contact by telephone is also possible from 8 a.m. to 8 p.m. at +49-172-670 47 47.

COMMERZ FINANCIAL PRODUCTS

GENERAL MANAGER FINANCE AND OPERATIONS

This is a key position in a small UK bank and involves primary responsibility for all the banks financial & management reporting and controls as well as its operational activities.

Candidates should have had similar UK experience at a senior level and be able to demonstrate the technical knowledge & organisational skills appropriate to the position.

Please write to Box A2100, Financial Times, One Southwark Bridge, London SE1 9HL

EXCHANGE TRADED EQUITY PRODUCTS [redacted]R

A Leading Derivatives House with floor presence on all major exchanges seeks a Manager for the Equity Futures and Options team. Opportunity to influence development, strategy and co-ordinate with existing Convertible, Warrant and Equity OTC operations.

Ideal candidate will have [redacted] years experience in the Futures market. Advanced knowledge of technical charting and analysis of fundamentals preferred. Established client-base to be serviced and developed. Preferred candidate has relationships with other institutional clients. Candidate will be responsible for both UK office and [redacted] teams. Full benefits and competitive salary.

Interested candidates should send CVs to:

Box A2099, Financial Times.
One Southwark Bridge, London SE1 9HL.

GENERALE BANK
LONDON BRANCH

requires a dealer [redacted] trade Spot EMS crosses with experience of Spot Majors. Competitive salary plus Benefits.

Please apply in writing together with C.V. to:

Treasury Manager,
Bavaria House, 13/14 Appold Street,
London EC2A 2DP

DIRECTOR OF OPERATIONS

London

to £90,000 + Bonus + Benefits

Our client is a significant European Institution with a major interest in UK and International equity and fixed interest markets including derivatives. As a result of both reorganisation and natural business expansion they now seek to recruit a top quality professional to run their operations function.

Reporting to the Chief Operating Officer, the role encompasses responsibility for settlements and transaction processing, treasury, and operational reporting and accounting.

Key aspects will be:

- Strengthening and developing existing systems to ensure that new business growth can be supported.
- Leading and managing a substantial department during a period of major change.
- Providing high quality control systems for all aspects of the core business and new business developments.

Candidates will be graduate operations professionals with strong leadership and communication skills, a confident and assertive manner and a commercial approach. Other key characteristics will be:

- A minimum of five years experience managing a significant operations function with accountability for all aspects of trade processing settlement, financing and reporting.
- A strong understanding of control systems.
- Demonstrable experience of managing operational change.
- Detailed knowledge of the operations function within UK/European equity, fixed interest and derivative markets.
- Understanding of all relevant financial and legal regulations, and risk management.

The remuneration package includes a base salary of up to £90,000 together with a performance related bonus and other normal banking benefits, and will not be a limiting factor for the right individual.

In the first instance please forward a detailed curriculum vitae together with full remuneration details to Jonathan Williams, Director, Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH.

All applications will be treated in absolute confidence.

Michael Page City
International Recruitment Consultants
London Paris Amsterdam Dusseldorf Sydney

STRUCTURED FINANCE & ASSET SECURITISATION

London

£ Competitive Package

Our client is a global financial services institution which has a reputation [illegible] excellence. The London office is expanding due to growth [illegible] demand for its services and this has created opportunities for high calibre individuals with an interest or experience of structured finance and asset securitisation. The level of responsibility and seniority is flexible and will be determined by the background of the successful candidates.

The structured finance and asset securitisation team is responsible for analysing all asset backed transactions in Europe. The work involves:

- Understanding and evaluating structured finance and asset securitisation transactions;
- Working closely with borrowers, lawyers, and arrangers;
- Presenting the analysis;
- Establishing and developing relationships with the different parties involved in the [illegible]

Individuals will be of graduate calibre and have a good grounding in credit and financial analysis. Experience of structured finance and asset securitisation is highly desirable however this is not a prerequisite.

Due to the high profile of the role, applicants must have excellent written and oral communication skills, strong interpersonal skills and be confident self starters. A European language skill would be advantageous.

Our client will offer an attractive remuneration package which will entirely reflect experience. Performance will be rewarded by good progression in terms of responsibility and position.

Interested applicants should contact Karina Pietsch on 071 831 2000 or write enclosing a full curriculum vitae to Michael Page City, Page House, 39-41 Parker, Street, London WC2B 5LH. Fax 071 405 9649.

All applications will be treated in absolute confidence.

Michael Page City
International Recruitment Consultants
London Paris Amsterdam Dusseldorf Sydney

FINANCIAL EDITOR

London

Morgan Stanley now seeks an Editor for equity research and related publications with at least five years' relevant experience. You must have impeccable English language skills, an excellent sense of organisation and logic, and superior proof-reading talent. Financial knowledge, computer skills and proven ability to work to tight deadlines are also essential. Japanese language skills, although not a pre-requisite, would be desirable.

Send resumé in confidence to: Jenny Thomas, Human Resources, Morgan Stanley UK Group, 25 Cabot Square, Canary Wharf, London E14 4QA.

Previous applicants need not apply.

MORGAN STANLEY UK GROUP

Forex Customer Advisor

Olsen & Associates is a Zurich based research institute for applied economics providing a real-time decision support tool for foreign exchange dealers. We are seeking a Forex Customer Advisor to support our expanding customer base.

As our newest Forex Customer Advisor, you will be in contact with clients world wide on a daily basis, provide active trading support, respond to customer's questions and problems, keep your clients abreast of the latest developments and provide customer training. You'll be part of a young, dynamic team, with a great deal of freedom for independent work and opportunity for advancement, and your close relationship with customers will provide a unique opportunity to affect customer satisfaction and the company's future development.

The successful candidate will be young, with a solid background in banking, several years experience as a foreign exchange trader and/or investment advisor, and in-depth knowledge of the Forex market. This responsible position requires initiative, creativity, independence, endurance, flexibility, a well-developed sense of personal responsibility, strong interpersonal skills, and a professional appearance. Fluency in English is required.

Please send a detailed CV to: Ms. Irene Jonsen, Olsen & Associates AG, Seefeldstrasse 233, CH-8008 Zürich, Switzerland. Interviews will be conducted in London or Zurich. Workplace will be Zurich. Olsen & Associates is an equal opportunity employer.

OLSEN & ASSOCIATES
RESEARCH INSTITUTE FOR APPLIED ECONOMICS
SEEFELDSTR. 233 CH-8008 ZÜRICH TEL. 01/386 48 48

SIB

Collective Investment Schemes

The Collective Investment Schemes (CIS) Department of the Securities and Investments Board (SIB) has a three-fold responsibility:

- to authorise and recognise CIS intended to be marketed to the public in the UK
- to maintain and develop Volume III of the SIB rulebook governing unit trusts
- to develop and maintain a new set of regulations for the UK open ended investment company (OEIC)

SIB wishes to recruit a Manager who will have the responsibility for a number of policy areas relating to SIB's CIS regulations. This will include research and analysis; preparation of policy proposals for changes to the regulations; l[illegible] with representative [illegible] with an interest in unit [illegible] matters; answering queries on matters arising from SIB's regulations and liaison with other regulators on the interpretation of and changes to the CIS regulations.

Candidates must be educated to degree level and have a practical working knowledge of SIB's unit trust regulations. Familiarity with OEICs would be useful. They should have excellent communication skills, a well developed analytical approach to policy and technical issues and the ability to produce well-researched and clear written work.

Interested applicants should contact Anna Williams for an information pack quoting reference 194636, at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH. Tel 071 [illegible] 2000.

Closing [illegible] Monday 18th July 1994.

Michael Page City
International Recruitment Consultants
London Paris Amsterdam Dusseldorf Sydney

EUROPEAN SALES MANAGER

Global Financial Information Company

Competitive Package **London Based**

W[illegible] are a [illegible] and well-established financial [illegible] company, [illegible] global operations serving an extensive international client base.

The continued growth [illegible] our [illegible] requires a [illegible] manager to join our European office in London to lead an entrepreneurial and goal-orientated team as [illegible] a new [illegible] exciting phase in [illegible] development.

The position entails full responsibility for [illegible] team management, including planning, monitoring and strategic [illegible] as well [illegible] maximising existing markets and identifying new ones.

The successful applicant for this role will have:

- Developed sales management and team building skills
- Computer literacy [illegible] familiarity with multi-media delivery systems.
- The ability to present new ideas and concepts at board level
- The energy, enthusiasm and flexibility to lead within a *multi-national* team

Please send your CV and a covering letter to:

Box Number A2091, Financial Times,
One Southwark Bridge,
London SE1 9HL.

Sendero

ASSET/LIABILITY MANAGEMENT CONSULTANT

London based with extensive overseas travel

Excellent £ neg.

We are [illegible] market leaders in the provision [illegible] Management [illegible], services and education [illegible] the Financial sector. Currently expanding our European operations, [illegible] require an additional Product Consultant to provide a full range [illegible] training, [illegible] technical [illegible] to our clients.

[illegible] ideal candidate will either be a [illegible] sheet risk management practitioner [illegible] working in a related financial modelling role within a European Bank. Candidates should be PC literate with a solid mathematical background. Liaising with over 1200 clients, from Trading Floor to Boardroom, strong inter-personal and communication skills are a prerequisite. Proficiency in any European languages would be a distinct advantage.

To apply, please send a full CV to Ms Alane Walker-Aspell at Sendero Corporation Europe, Imperial House, 11-13 Young Street, Kensington, London W8 5BH.

Sales

U.K. Equities

Kleinwort Benson Securities Limited, a leading U.K. merchant bank is seeking to appoint an experienced, degree qualified U.K. Equities Salesperson to join their U.K. Small Business team.

The successful candidate will possess at least 3-5 years' solid U.K. Equities experience and will already have an impressive U.K. client base.

Applicants should apply [illegible]: Julia Pomerance, Personnel Department, Kleinwort Benson Securities Limited, P.O. Box 560, 20 Fenchurch Street, London EC3P [illegible]

Kleinwort Benson Securities Limited

Exchange Traded Derivatives

Operations Manager

Highly Competitive Package

Our client is a leading global investment bank and a major player in the exchange traded products markets. Continued growth in business volumes and product complexity have created the need to appoint an experienced operations manager to head the ETP support team.

Managing a team of 15 staff you will provide operations support for all exchange traded derivatives activity across the bank's trading and clearing businesses. A high calibre graduate aged 25-32 with good technical, commercial and managerial skills, you will have experience of the workings of all the major international futures and options exchanges. You will be a confident and articulate communicator who has the leadership skills necessary to introduce and manage change and to enhance the quality of business support. This position offers excellent career development opportunities for the appropriate candidate.

Interested candidates should write to Joe Thomas at BBM Selection, 76 Watling Street, London EC4M 9BJ, quoting Ref 301 and enclosing a detailed CV which should include contact telephone numbers. All applications will be handled in the strictest confidence.

BBM SELECTION

FINANCIAL REPORTERS

AP-DOW JONES NEWS SERVICES

The AP-Dow Jones news services deliver economic, financial and market-affecting news with speed and accuracy to the international financial community.

We are looking for reporters in several European locations and would welcome applications from people with:

- journalistic experience, preferably in business, financial or energy reporting
- the ability to write quickly and fluently in English to demanding deadlines
- knowledge of a second language
- excellent interpersonal skills and the ability to form working relationships with a wide range of contacts.

If you believe you can contribute to our organisation, please send your cv, copies of published writing and current salary details to Mary Edwards, Human Resources Executive, AP-Dow Jones News Services, Winchmore House, 15 Fetter Lane, London EC4 1BR.

MAJOR OPPORTUNITY IN FUND MANAGEMENT

CHANNEL ISLANDS £EXCELLENT

Work in an exceptional environment with no travel problems and safety for the family.

An outstanding opportunity [illegible] for [illegible] established fund manager with experience in developing and expanding a professional fund management department.

A competitive remuneration package is offered together with relocation assistance.

Please write to: [illegible] *A2084, Financial Times, One* [illegible] *Bridge, London SE1 9HL.*

CREDIT SUISSE FINANCIAL PRODUCTS

An Outstanding Opportunity in Transaction Management

LONDON — [illegible] EXCELLENT PACKAGE

Credit Suisse Financial Products is a "AAA" rated bank and a global leader in the provision of risk management and derivative product services. Headquartered in London, it provides its prestigious worldwide client-base with a full range of interest rate, currency, equity and commodity related products.

The Transaction [illegible] Group

The Transaction Management Group consists of solicitors who joined the bank from leading City firms as their first and carefully considered move [illegible] of private practice and experienced investment banking professionals who perceived that transaction management at Credit Suisse Financial Products presented an outstanding opportunity. The Group is responsible for the execution of all securities transactions - which almost invariably have a derivative component - arranged by the bank. In addition, the Group provides advice [illegible] marketing officers and [illegible] managers on the structuring of [illegible] and [illegible] development of new products. Although [illegible] Group ensures consistency between [illegible] securities transaction and the associated hedge, it [illegible] not responsible for swaps and [illegible] derivative products business, which is handled by the bank's legal department.

The Position

Owing to exponential growth in its workload, a further opportunity has arisen for a securities lawyer with 1-3 years' post-qualification experience in a leading city practice to join the group. Equally, candidates with commensurate execution experience in a leading investment bank or securities house [illegible] be considered. [illegible] knowledge of foreign languages, particularly French or German, would be helpful, but [illegible] not a prerequisite.

Working [illegible] the forefront [illegible] the industry with first-rate professionals within both the Group and the bank as a whole, the successful candidate will [illegible] exposure [illegible] a wide range of derivatives transactions.

As [illegible] Group relies only lightly [illegible] outside counsel, the position will provide opportunities [illegible] maintain and develop legal and drafting skills while at the same time acquiring a greater commercial understanding of this sphere of investment banking. Given the exacting standards set by the Group, the position demands clarity of thought and expression, [illegible] oral and written, a meticulous approach and a high level of commitment.

Rewards

The compensation package will include an excellent base salary, performance-related bonus, subsidised mortgage and other banking benefits.

For further information in complete confidence, please contact **Deborah Kirkman** on 071-379 3333 or write to her [illegible] **Robert Walters Associates** at [illegible] **Bedford Street, London, WC2E 9HP**, confidential fax: 071-915 8714.

ROBERT WALTERS ASSOCIATES

DAVIS INTERNATIONAL BANKING CONSULTANTS

Management Consultants Dedicated to Excellence in Financial Institutions

Senior Manager — London

DIBC [illegible] a strategic, research-based management consultancy which specialises exclusively in the financial services industry. We consult [illegible] leading international banks, asset managers and securities houses. Our success and reputation in [illegible] market-place have enabled us to double revenues and staff numbers over the past two years.

Our need now is to recruit a senior manager who is able to lead project teams undertaking consultancy and research projects; to prepare proposals for new assignments; to be involved in the research, interview and report processes on individual assignments.

Candidate requirements are as follows:

- Aged early to mid 30's
- University graduate, ideally also with an MBA
- Deep knowledge of the consulting process and excellent writing, analytical and interpersonal skills
- A working knowledge of current banking products, such as derivatives, cash management, trade finance and lending
- A second language would be useful and a willingness to travel is essential

The salary and benefits package will be highly competitive, [illegible] with experience. DIBC is a young firm where the managers should consider part of their individual compensation to be the opportunity to become a partial owner of the firm.

Please reply by sending a detailed CV to:

Brenda L Jenner
DIBC (UK) LTD
Suite 6, 9 North Audley Street
London W1Y 1WF

Telephone: 071 495 2288

Operations Director

Our group, a leader in the international pharmaceutical industry, seeks an Operations Director to ensure the technical and [illegible] success of a new strategic product.

Reporting to the General Manager, you will be involved in strategy development and implementation, and you will be responsible for :

- scientific development of the product
- international launch of the product
- coordination of various departments : Sales, Marketing, Info Technology and Development
- communication, both within the group and externally with professional bodies.

You have 15 years professional experience, with a science background, and either an MBA in Marketing/Business or a legal degree ; and you are bilingual in English/French and have a proven track record within the pharmaceutical industry in Sales/Marketing, R & D/Regulatory [illegible]. Team leadership skills crucial, experience managing a profit centre desirable.

Your personal qualities of commitment, drive, organisation [illegible] communication will ensure your success.

This position is based in Paris.

To apply send your resume with a [illegible] TCA, [illegible] Henri Ruel Résidence du Clos d'Orléans N°3, 94120 FONTENAY-SOUS-BOIS, (FRANCE), quoting reference [illegible]

TCA

THIBONNIER CONSULTANTS ASSOCIES

Cash Operations in international banking

Head of Money Transfer

Making things happen at the heart [illegible] our business

At J.P. Morgan, one of the world's leading international banks, we regard Operations not just as a processing function but as a key contributor to the quality of our business and our service.

Here in London, the largest office outside the US, we have an opportunity for a dynamic and ambitious professional to head up Money Transfer within Cash Management operations. You will be expected to take immediate control of a talented team, so you will need a proven track record in cash operations, preferably with a US bank, plus experience in supervising up to a dozen staff. Altogether you must have been in the banking business for at least five years, during which time you have developed sound knowledge of Operational IT systems together with your own ideas on how they can improve the processes. At J.P. Morgan, you will be encouraged to explore new solutions, working closely with your fellow senior managers in both the operational and the product side. Our mission statement is simple: "For ourselves, but above all for our clients, we make things happen". At a time of rapid development in terms of new products and new clients, this will be the essence of your challenge.

If you have the character and the capability we are looking for, then you are looking at an exceptional career move. Please write with your cv, quoting ref:912, to Alistair Lyon, Reply Handling Service, Associates [illegible] Advertising, 5 St John's Lane, London EC1M 4BH.

JPMorgan

[illegible] of London

Northern Telecom and Royal Academy of Engineering Chair of Telecommunications Strategy and Services

Applications are invited for this prestigious Professorship, tenable in the Department of Electrical and Electronic Engineering and funded jointly by Northern Telecom and the Royal Academy of Engineering. The person appointed will research ways of improving the effective delivery of communication services to users and creating new visions in communications.

Candidates should have experience at the highest level in some area of telecommunications research and a proven record for innovative thinking.

Potential applicants are asked to obtain further particulars from the Establishment Office, Personnel Division, Imperial College, London SW7 2AZ. Tel: 071-594 5533. Fax: 071-594 5516. Closing date for applications: 30 September 1994.

The College is striving towards Equal Opportunities.

ORD MINNETT

One of Australia's leading stockbrokers is seeking to appoint an

ECONOMIST/STRATEGIST

Ord Minnett has been consistently rated as one of the Australia's leading stockbroking firms by institutional clients. A key component of this success has been the Macro team, which has consistently rated No. 1 in strategy over the last 5 years.

The breadth of experience [illegible] the other members of the team allows the appointment of either an Economist Strategist. As an Economist you will produce written and oral analysis of the domestic and international economy. The Strategist position requires you to provide a range of asset allocation advice and analysis [illegible] investment decisions for both Australian and international markets.

Ord Minnett is now 50% owned by Jardine Fleming, itself highly successful in South-East Asia. The role will allow the opportunity to interact closely with the Jardine Fleming group throughout the region.

Applicants should have experience in financial markets, strong research and analytical skills and be able to work effectively in a closely linked team.

Written enquiries together with a brief CV and academic record should be sent to:

David Garrard, Ord Minnett Limited, One College Hill, London EC4R 2RA

THE TOP OPPORTUNITIES SECTION

For senior management positions.
For information please contact:

Philip Wrigley
071 [illegible] 3351

TRAFIGURA [illegible]

EXCEPTIONAL FINANCE PROFESSIONAL

INTERNATIONAL INDUSTRIAL & COMMODITIES GROUP

CENTRAL LONDON

ATTRACTIVE REMUNERATION AND BENEFITS PACKAGE

We are part [illegible] a rapidly expanding international industrial and commodities group. Formed barely a year ago, the group has already established offices in several cities throughout the world. With a dynamic and innovative management team, with many years of experience at the highest level in their fields, the group is well-positioned for further growth.

We are now seeking to expand our finance department with the appointment of an outstanding individual, to complement our existing team. Reporting to the finance director, the successful candidate will be responsible for all financial aspects of specific projects that we are developing: financial structure, legal and contractual analysis, risk management, presentation to financial institutions. There may be opportunities for extensive international travel.

Candidates (aged 25-30) will be highly numerate graduates with 2 to 5 years experience in the trade finance or project finance department of a bank or commodity-related environment, with sound knowledge of trade finance and/or project finance and the principles of international banking. [illegible] strongly international approach is essential and language skills are a distinct advantage. A strong sense of initiative and the ability to fit into a highly pressurised and challenging environment are indispensable.

The remuneration and benefits package will be negotiable, depending on the level of experience of the successful [illegible]

Interested candidates should write [illegible] strictest confidence to Clare Castle, Trafigura Ltd., 17 Connaught Place, London W2 2EL (telephone: 071-298-2200; Fax: 071-262-4101), including a very brief CV.

SWITZERLAND

THE BANK FOR INTERNATIONAL SETTLEMENTS

an international institution located in Basle
with approximately 450 members of staff from 24 countries

has a vacancy in its Banking Department for a

PORTFOLIO MANAGER

The successful candidate will be aged between 25 and 30 with a university degree (ideally in finance or mathematics) or equivalent. Trading experience, preferably in fixed income, is essential, as are computer literacy and a practical knowledge of financial mathematics. In addition to a very good command of both written and spoken English, a working knowledge of additional languages, in particular German, would be an advantage.

Recruitment will be on the basis of an initial two-year contract.

The Bank offers attractive conditions of employment in an international atmosphere and excellent welfare benefits.

Candidates should send their application, together with a recent photograph and references, to the *Personnel Section, Bank for International Settlements, 4002 Basle, Switzerland, quoting Reference No. 94198.*

ASSISTANT DIRECTORS/ MANAGERS

City

Exceptional Packages

EUROPEAN CAPITAL

European Capital is an independent firm providing dedicated and competitive advisory and capital-raising services within the fields of corporate finance, project finance and trade finance. Its ability to structure complex financial transactions using high levels of expertise and professionalism has attracted an established base of clients.

The firm started operation in August 1990 and has grown steadily in size and profitability. To date the company has advised on transactions totalling over $1[illegible] billion. Continued expansion and success has resulted in the need for three key individuals within distinct areas of the business.

ASSISTANT DIRECTOR, PROJECT FINANCE

As a vital team member, you will assist in appraising the financial feasibility of projects, structuring complex financial security packages and negotiating project related contracts. You will have at least three years experience of working within a project and export finance environment where you will have developed first rate client skills. ***Ref [illegible]***

ASSISTANT DIRECTOR, TRADE FINANCE

This area structures and arranges transactions involving cross border trade, in particular, exports to emerging economies. Typical transactions include structuring "blended" export credits, financing short term trade receivables and syndicating project finance transactions. You will have a demonstrable record of success in a trade finance operation and the ability to manage a substantial portfolio. ***Ref JA130***

MANAGER, CORPORATE FINANCE

This team provides advisory services covering debt and equity capital raising, acquisitions and disposals and strategic and regulatory advice. You will be a graduate, qualified accountant and/or MBA with a minimum of two years experience within a corporate/project finance environment. Knowledge of a second language would be useful. ***Ref JA131***

All these roles offer the opportunity to work [illegible] a progressive and [illegible] environment. They will require strong marketing and business development skills as well as the ability to shine in a challenging and highly motivated team operation. Opportunities for equity participation will be available to successful candidates.

*Interested candidates should contact **John Axworthy** on 071-629 4463 (071-720 [illegible] evenings) quoting [illegible] appropriate reference.*

HARRISON WILLIS
SEARCH AND SELECTION PARTNERSHIP

Cardinal House, 39-40 Albemarle St., London W1X 3FD. Fax: 071-491 4705
LONDON • READING • GUILDFORD • ST [illegible] • BRISTOL • BIRMINGHAM

FT/LES ECHOS

The FT can help you reach additional business readers in France. Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and to further target the French business world. For information on rates and further details please telephone:

Philip Wrigley on 071 873 3351

IAF Group plc

IAF Group plc is a broadly based financial services group with activities in asset financing, portfolio management, remittance processing, fund management and foreign exchange/derivatives trading. The Group has recently become listed on the London Stock Exchange and with a healthy balance sheet and an encouraging deal flow is now looking to recruit successful and dynamic individuals to enhance its marketing and trading capabilities within its Group companies.

DIRECTOR OF PROJECT FINANCE — **O.T.E. IN EXCESS OF £100,000 P.A. + BENEFITS**

With the increasing market for project finance not only in Europe but throughout [illegible] America [illegible] South East Asia, an experienced professional [illegible] sought to head up a new division which will work in tandem with IAF's Asset Finance Division. The successful candidate is likely to be aged 30-45 and have spent some time working overseas in this field. He will be expected to lead from the front establishing advisory contracts on behalf of the Group and to recruit [illegible] team to develop this business.

ASSOCIATE DIRECTORS-ASSET FINANCE — **O.T.E. £100,000 P.A. + BENEFITS**

IAF is [illegible] leading packager of asset finance on an international basis. Specialising in cross-border products and tax efficient structures, the company has consistently demonstrated its ability to provide innovative medium and big ticket structures. Candidates must have sufficient drive and contacts to work on their own initiative whilst benefiting from being part of an aggressive and entrepreneurial team. Three new members of the team are sought, two to expand international coverage and a third who will concentrate on more [illegible] areas of the UK market. In each case, only proven individuals with [illegible] demonstrable track record should apply.

FOREIGN EXCHANGE/DERIVATIVES TRADERS

Traders are sought to enhance and broaden the Group's trading operations which encompass [illegible] wide range of markets. The Group has [illegible] CTA subsidiary with over USD 100m under management as well as trading for clients and on its own account. The Group is not limited to specific markets and traders demonstrating [illegible] proven track record who have the ability to widen the Group's areas of operation will find our entrepreneurial environment stimulating. Existing CTAs with funds under management who are interested in joining one of the fastest growing fund managers in the world will also be considered. The overall remuneration package should not prove [illegible] problem to the right individuals.

SALES EXECUTIVE - LOCKBOX/REMITTANCE PROCESSING — **O.T.E. £50,000 P.A. + BENEFITS**

The Group operates at High Wycombe and is the premier UK Lockbox service acting as remittance processor for a number of household name UK companies and charities. An individual is sought who understands the Lockbox concept to broaden our sales approach and to market the wide range of services offered by the company. Sales and marketing professionals with a proven track record will benefit from the entrepreneurial environment and aggressive growth targets planned for this company.

All applicants [illegible] the positions detailed [illegible] should reply by letter in their own handwriting explaining their suitability, salary expectations [illegible] enclosing a full C.V. [illegible] Mrs K.L. Oakes, P.A. to Managing Director, IAF Group plc, 107 Cannon Street, London EC4N 5AD.

Swiss Cantobank Securities Limited

Swiss Cantobank Securities Limited is the Eurobond house and international securities company of the Cantonal Banks, a major retail force in Switzerland.

Based in the City of London a small but dynamic team services [illegible] select client base and advises funds in excess of Sfr 6 billion.

As a result of business growth we are searching for individuals for the following posts:

EUROBOND TRADER
(Ref: ST1)

We are looking for a Trader to complement and lead our small Trading team which services retail clients and institutional funds. The individual will have a thorough practical knowledge of the bond markets and is [illegible] ease with technical analysis. Experience in the use of information technology, especially Bloomberg [illegible] a must. A European language(s), though desirable is not essential.

BOND SALES
(Ref: ST2)

We are looking to expand and strengthen our sales team within the Capital Market section. Experience in sales of Eurobonds, especially in the European sector, together with fluency in English and German or French is a requirement.

A competitive salary package is offered for these positions.

Applicants should write, quoting the appropriate reference and enclosing CV and salary details, to Personnel, Swiss Cantobank Securities Limited, Ropemaker Place, 25 Ropemaker Street, London EC2Y 9AS.

The International Securities Company of the Swiss Cantonal Banks

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[illegible]

JAPANESE & SE ASIAN EQUITIES

Up to £50,000 plus bonuses and benefits

Our client is a very well-known British financial institution. It is independent, thoroughly profitable and internationalist.

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ACCOUNTANCY COLUMN

A freedom too far in the regulated industries

Anthony Carey and Martin Cave consider weaknesses in accounting standards setting and recommend how best to improve them

They are among the largest companies in the UK, they enjoy some monopoly rights, and virtually all of us are their customers. Yet accounting standards setters seem hardly to have noticed the existence of the regulated industries.

The accounting practices of the privatised utilities in the telecommunications, gas, electricity and water industries, as well as BAA (formerly British Airports Authority), are the subject of a new study* which calls for substantial reforms.

The absence of a structured accounting framework dealing with issues of substantial importance to regulated companies, coupled with the regulators' lack of disclosure about how allowable price rises are determined, means that companies have wide discretion over the financial information that they place in the public domain.

Some of the changes that have been made since or at the time of privatisation have had the objective of bringing the accounting practices of privatised utilities more in line with those of the private sector.

For example, in preparation for privatisation, BT ceased to capitalise several types of expenditure and eliminated a supplementary replacement cost depreciation charge from their accounts. British Gas increased the life of many of its assets. BAA has capitalised interest costs incurred in the construction of fixed assets, reclassified some freehold properties as investment properties and extended its airport terminal and runway lives.

The various regulated companies have had to cope with two potentially conflicting sets of demands: to show their performance in a positive light to the capital markets, without at the same time giving their regulators the impression that profits are too high.

In the case of BAA, which is less in the public eye than the other privatised utilities, it seems clear that the main focus has been on market perceptions. This also seems to be the case for BT, although it has followed fairly constant accounting policies since privatisation.

For the more recently privatised water and electricity companies, regulatory considerations would appear to have had a bigger impact on the way in which they have presented accounting information.

Ofwat, the water regulator, has taken a significant degree of interest in accounting matters and – unlike other regulators – has published guidelines on Accounting for Current Costs which deals with the form, content and principles of current cost accounts for the water industry.

Large price increases have been permitted in the water industry because of the heavy capital expenditure programme currently under way. It would be helpful to know whether the regulator plans to "claw back" any of these increases in the future: in other words, whether any of the revenue was "advanced" to the companies to generate the necessary cash flows. If so, the most appropriate accounting treatment would probably be to treat the element advanced as deferred income in the accounts to be spread over future years.

Making profit forecasts at the time of privatisation was very difficult for the regional electricity companies. The challenges included uncertainties created by the reorganisation of the industry, the introduction of new management, and the difficulties in forecasting future energy prices due to the Gulf crisis and the unpredicted severity of the winter that followed.

Managers and their advisers were, as a result, understandably cautious in estimating future profits. But many of the potential problems did not materialise, and so many electricity companies exceeded forecasts substantially.

In these circumstances, it is perhaps not surprising that they seem to have adopted a conservative approach to the recognition of profits, such as establishing pension and other provisions and in not anticipating under-recoveries of income.

A thorny issue requiring resolution is the current cost carrying amount of assets acquired at privatisation. In the water, gas and electricity industries, these were sold at a substantial discount to their replacement cost. It is unlikely regulators will allow a cumulative return equal to this figure.

If the regulators provided information on the return they were willing to permit on these assets, the figures could be included in the accounts at their recoverable amount rather than, as at present, at a replacement cost in excess of this number.

We believe that the public interest would be best served if the terms of the implicit regulatory contract that exists between the company and the regulator were more explicitly stated. As much as possible of the accounting information used to determine the price-setting formula for regulated companies should also be made publicly available.

Specifying the terms of the regulatory contract would ensure that the role of the accounts as the public memory of the regulatory system would be enhanced.

It would then be less easy for regulators to overturn the commitments of their predecessors.

The regulatory contract should be separately formulated for each industry but should deal with the following issues:

- "Tilting" (advancing) of revenues. The regulators should indicate the amount involved in individual cases, the period over which the advances are to be made and the length of the subsequent claw-back period.
- Valuation of assets held at privatisation. Each regulator should indicate the return that the regulated companies will be allowed, and their valuation should reflect how the discount on assets at privatisation should be treated.
- Treatment of efficiency gains. Regulators should indicate how such gains are to be measured, the proportion of the surplus profits the companies will be allowed to retain, and the period over which they will be allowed to retain them.

In addition to developing more transparent regulatory contracts, the quality of regulatory accounting information should be further improved by the introduction of new standards.

The core information for regulatory decision-making should be that published in audited regulatory accounts. The accounts should be prepared on a current cost basis applying financial capital maintenance principles, which provide the best information on the real returns being earned by shareholders.

Individual industries should be required to justify any divergent accounting standards caused by their special circumstances. Standards should deal with topics that include accounting for fixed assets, revenue advances, and the need to provide a reconciliation from the figures in the regulatory accounts to those in the statutory accounts.

Regulatory standards should be issued by a body under the joint auspices of the Accounting Standards Board and the industry regulators or by a body established by them. Regulatory accounts should be brought within the aegis of the Financial Reporting Review Panel.

These proposals should ensure that a clear and more useful set of information would exist in the public domain on the special features of accounting for regulated industries.

Anthony Carey is Head of International Accounting at the Institute of Chartered Accountants in England and Wales. Professor Martin Cave is Dean of the Faculty of Social Sciences, Brunel University.

**Accounting for Regulation in UK Utilities. Carey, Cave, Duncan, Houston and Langford. ICAEW Research Board, PO Box 433, Chartered Accountants Hall, Moorgate Place, London. EC2P 2BJ. £30.*

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To $100,000 Tax Efficient plus Expat Benefits

The Company
There are few sectors of industry experiencing the same degree of product and service innovation, growth and diversification as telecommunications. In recent years this Western based company has dramatically increased its share of the telecoms market throughout Russia and the Republics. An impressive program of expansion and development in this region has already yielded enviable results. With additional $multi-million investment already committed, consequent future prospects compare favourably with other market leaders.

The Position
As Chief Financial Officer you will report directly to the Western Head Office based in Europe. You will have direct financial control responsibility over the following functions: Sales and Marketing, Billing and Collection and Accounts. You will manage a team centred in Moscow with other business units, both existing and planned, spread across the FSU.

A good understanding of GAAP accounting and developed technical knowledge are preferable for this role as is the ability to analyse new tax laws and accounting regulations and their implications on the commercial operations of the company. Additional responsibilities include the supervision of accounts payable, management of loan agreement documentation and compilation of monthly financial reports for the Western Head Office. Systems development and integration including strict financial control is also of prime importance.

The Person
You will currently be active in a senior finance role where your knowledge of Russian culture and/or language will maximise the potential of all Joint-Venture partners, both Russian and Western. We therefore welcome applications from Russian nationals whose experience in this environment will prove more important than western financial qualifications. Whether Russian or Western you will have demonstrated a comprehensive commercial awareness, strength of character to effectively manage a multi-national team and the tenacity to succeed in this competitive market. Career progress beyond this position is offered within this organisation.

Please send a full resumé with covering letter to the address/fax below quoting reference FT 2328 on all correspondence. Applications will be treated in strictest confidence.

ANTAL INTERNATIONAL
Executive Recruitment
Riverbank House • Putney Bridge Approach • London SW6 3JD
Tel: +44 (0) 71 371 9191 • Fax: +44 (0) 71 731 8160 (24 hrs)

Vendcare

West Midlands — **£40,000 – 45,000 + Car**

Our client, *Vendcare Services Limited*, is a leading company specialising in high quality vending services. Operating from a network of branches nation-wide, the company is distinguished by its dedication to meeting customer needs. Following a recent MBO, a Finance Director is now sought who will play a key part in ensuring further profitable growth.

In addition to general financial management and reporting, key challenges include the development of an effective management information system, maintaining and enhancing the IT capability, budgeting, strategic planning, effective cash management and treasury planning.

Probably aged in the range 35 – 45, suitable applicants will be qualified accountants with experience gained in a business to business service company or similar multi-site environment. A proven command of management accounting is needed together with computer literacy and a knowledge of lease financing operations. He/she must possess good communication skills, an inquisitive, pragmatic approach and a commercial outlook.

This is a demanding position with an excellent future. In return for commitment the company will provide a comprehensive remuneration package to include car, pension and health benefits, and the opportunity for equity participation.

Interested applicants should send a comprehensive c.v. including current salary and daytime telephone number to Phillip Price ACA, quoting reference 3402, at Touche Ross Executive Selection, Friary Court, 65 Crutched Friars, London EC3N 2NP.

Touche Ross

MANAGEMENT CONSULTANTS

FINANCE DIRECTOR

BRISTOL — **£50,000 + Benefits**

Parragon Book Service Ltd is a young, dynamic, Book Publishing and Distribution Company located in the United Kingdom with an increasing Export market. We as a Company have seen phenomenal growth over the last fours years with turnover soaring from £3m in 1991 to a projected level of £20m in 1994.

The successful candidate will take charge of our finance department of ten people and will have further responsibility for thirty operational members of staff. The company uses accounting systems based on an AS400 computer.

This role is regarded as being fundamental to the successful and continued growth of the company. We seek an energetic and enthusiastic individual with appropriate accounting qualifications (ACA/ACCA). Experience of successfully implementing new computer systems will be an important attribute for a successful candidate as will interpersonal and managerial skills. The ideal age range will be between 30 and 40 and the applicant will have previous experience in a rapidly growing company.

If you believe you are a team player of the required calibre please apply in writing, with a comprehensive curriculum vitae, to:-

Paul Anderson
Operations Director
Parragon Book Service Ltd
Unit 13 - 17 Avonbridge Trading Estate
Atlantic Road
Avonmouth
Bristol
BS11 9QD

•PARRAGON•

OPPORTUNITIES IN FINANCIAL MANAGEMENT WITH A MAJOR FINANCIAL SERVICES COMPANY

Our Client, BASED IN THE NORTH OF ENGLAND, is a subsidiary of one of the UK's most successful financial services groups. They now require the following key personnel to complete their management team:

CHIEF ACCOUNTANT (Ref. 0648)

Holding an ACA or equivalent qualification you must have prior experience of managing the financial reporting function of a Life/Unit Trust company. You must be capable of taking responsibility for not just the production of periodic data but for providing advice and support to senior managers.

INVESTMENT ACCOUNTANT (Ref. 0647)

A qualified accountant, you will have extensive experience of the investment accounting functions of a major Life/Unit Trust company. You will be required to work closely with fund management colleagues, bring a keen awareness of the taxation considerations implicit in investment management decisions, and understand and direct the operations of each function within investment accounting.

The packages include full re-location expenses where necessary and the working environment is of the highest standard.

To apply please write, in confidence, with C.V. quoting appropriate reference number to Nigel Barnard or Brian Burgess at Burgess Chapman Barnard, 17 The Green, Richmond, Surrey, TW9 1PX. Tel: 081 332 6677, Fax: 081 332 2249.

B U R G E S S
C H A P M A N
B A R N A R D

Deputy Group Financial Controller

c. £52,500 + car + bonus

This group is a substantial UK plc, global in its scope and outlook, with turnover of £1 billion derived from several well focussed international service sector businesses.

The Deputy Group Financial Controller will need to understand quickly the key business drivers critical to the future success of these international activities and build close relationships with the business managements in order to understand and interpret major trends and issues, assess sensitivities and the quality of available information, and provide input to main Board Directors. The role is also organised to provide high level review of the Group against external criteria; major business developments; capital investments; and acquisition proposals. As Deputy there is involvement in monthly management reporting, annual budgeting and statutory accounting through a small qualified team.

Applicants should be qualified accountants with an impeccable academic record and proven success at senior manager level in a top six firm or corresponding experience in a service sector environment. Individuals must have the personal influence and authority to work effectively with Main Board Directors and the energy, stamina and lifestyle to cope with sustained pressure. A strong commercial instinct, excellent presentation skills and extensive PC experience are essential. Age guide 30-32. Location Western Home Counties.

Please apply in confidence quoting Ref L562 to:

Brian H. Mason,
Mason & Nurse Associates,
1 Lancaster Place, Strand,
London WC2E 7EB.
Tel: 071-240 7805.

Mason & Nurse
Selection & Search

RE-ADVERTISEMENT

Management & Operations Accountant - Aviation

Salary £27,500 pa

We are a fast growing service company in the field of Aviation. We urgently need an enthusiastic qualified accountant to fill the above vacancy.

You must be a graduate qualified CIMA with relevant experience of at least 3 years. You must be able to speak Arabic, have a strong academic record, excellent communication skills and a positive commercial outlook.

Reporting to the MD. you will be expected to work on your own initiative, to have the authority and confidence to make key decisions within the organisation and to interact with our clients at executive level.

Applications are returnable by the 15th of July 1994. Shortlisted candidates will be interviewed on the 28th of July 1994. Previous applicants may reapply.

Please write or phone for an Application form, detailed job description and specification to Miss Lisa Jackman at: Cavenair Ltd, 6th Floor, 9 Cavendish Place, London W1M 9DL. Tel: 071 637 3773

Fast Expanding Corporate Finance Division of Substantial Financial Group

WISHES TO ATTRACT EXPERIENCED EXECUTIVES

Successful candidates will have experience of MBOs and selling businesses and are likely to have graduated from the Corporate Finance Department of a big accountancy firm, the M & A department of a Merchant Bank or a Venture Capital House. Key attributes will include proven financial modelling capabilities, outstanding commercial drive, excellent communications and presentations skills. Keen sense of humour essential.

Self-motivating applicants should forward CV's to:

Box No A2094, Financial Times,
One Southwark Bridge, London SE1 9HL

APPOINTMENTS WANTED

AUDIT/OPERATIONAL REVIEW
MSc/CIMA/MBA

Extensive international operational auditing, at board level, IT and line experience in MANUFACTURING, RETAIL and CONSTRUCTION. Controls and business improvement. Let me set up the function or provide temporary cover or work independently.

Tel/Fax: 0604 758367

MANAGEMENT ACCOUNTANT

As a leading and well-established investment house with funds under management in excess of £10.5 billion we are experiencing a period of rapid expansion, resulting in the requirement for a capable individual to join our high profile and professional management accounts team.

Responsibilities will include:

- Monthly management accounts and detailed variance analysis.
- Preparation of annual budgets.
- Assistance in the production of regulatory returns to Bank of England and IMRO.
- Ad hoc assignments for senior management.

The successful candidate will be a finalist or recently qualified ACMA/ACCA and PC literate. You will have responsibility for the management accounts of one company and report to existing Senior Management Accountant. An organised and systematic approach and the ability to work quickly and accurately in a highly pressurised environment are essential. You will possess excellent communication skills and confidence to liaise at the highest level.

Based in the City, this vacancy offers a competitive remuneration and benefits package. If you think you have the ability to succeed in this challenging post, please apply in writing with an accompanying CV and current salary to:

Ms. Lynne P.A. Bishop, Head of Personnel,
Foreign & Colonial Management Limited,
Exchange House, Primrose Street,
London EC2A 2NY

Foreign & Colonial

Director of Finance

NHS TRUST

c£36,000, benefits, PRP ***South Yorkshire***

Our client provides a range of key services to a Community of over 200,000 people and has a track record of achieving its objectives.

Not least in its success has been a clear demonstration to the purchasers of its services that their investment has been beneficial.

The Trust is now seeking to appoint a Director of Finance who will:

- Continue to manage the Financial stability and accountability of the Trust
- Develop the financial strategy and monitor it against the Trust's performance
- Contribute to the overall corporate direction as a Board Director

You must be a qualified accountant working in a senior wide ranging financial role, and be able to demonstrate as a team player that you understand value as well as cost.

To apply for this challenging and important opportunity please send your CV in complete confidence to Tim Lewindon, Riley Consultancy, 4 Red Lion Court, Fleet Street, London EC4A 3EN quoting reference 316/FT. The closing date is Friday 22nd July.

LONDON • ABERDEEN • LEEDS • MANCHESTER • EDINBURGH •

RILEY
consultancy services

• GLASGOW • BRISTOL • NORWICH • BIRMINGHAM • NOTTINGHAM

FINANCE DIRECTOR

TOP APPOINTMENT FOR COMMERCIALLY MINDED HIGH FLIER

NORTH LONDON **TO £50,000 + BONUS + CAR + BENEFITS**

- Excellent opportunity to join the new senior management team of this UK market leader and immediately contribute to the strategic repositioning of the company. Plans include new systems, new products and new sales and marketing programmes.
- £100m turnover consumer goods company recently acquired by a major US multinational. Part of an established European network poised for further profitable growth.
- Involvement in the commercial development of the business both in the UK and as a member of the European Finance team. Responsible for IT, treasury and tax in addition to managing the day to day activities of the finance function, ensuring financial control and accurate and timely reporting.
- Probably in your early thirties and a qualified accountant - ideally Big 6 trained. Senior financial management experience within a fast-paced, blue chip organisation with a reputation for sound financial control.
- Should be able to demonstrate a broad commercial outlook and ability to contribute at a strategic level. Must have previous experience managing a sizeable team and be IT literate. Exposure to US reporting would also be useful.
- Team player with a strong intellect; able to manage, motivate and develop staff. Good presence and interpersonal skills combined with drive and ambition are prerequites.

Please apply in writing quoting Ref: 767
with full career and salary details to:
Susan Ryder
Whitehead Selection Limited
43 Welbeck Street, London W1M 7HF
Tel: 071 637 8736

Whitehead SELECTION
A Whitehead Mann Group PLC company

GROUP FINANCIAL ACCOUNTANT

EAST MIDLANDS c £25,000+Car

The Group – As a major multi-national PLC with a turnover in excess of £600m our client is a fast moving customer driven business. With a strategy based on innovative product development they hold a strong position in the chilled food and fresh produce sectors.

They are now seeking an ambitious individual to join the young dynamic and professional head office team.

The Role – In this high profile role you will be fully responsible for group statutory reporting which requires a proactive approach to new accounting standards/developments and their impact on the group.

You will gain exposure to the wide range of corporate activities undertaken by a group of this size and complexity. You will also need to interact frequently with the operating divisions and senior management. In addition you will be involved in the continuing improvement and development of head office systems and reporting.

The Person – As a recently qualified ACA with around 1-3 years PQE you will have experience of auditing large groups. Technically strong and up-to-date, with an eye for detail, you will also possess good communication skills coupled with commercial awareness. It is essential that you can develop quickly so as to take full advantage of the excellent career progression on offer throughout the group

Interested candidates should forward a full CV quoting current salary and if possible a daytime telephone number to Paul Macildowie ACA at Macildowie Davids, 10 Regent Street, Nottingham, NG1 5BQ (fax number: 0602 869074)

MacildowieDavids
FINANCIAL RECRUITMENT CONSULTANTS

Finance Director - UK plc Subsidiary

Sales and Distribution Business - Electronic Security Systems

Salary to £50,000 Plus Bonus Excellent Benefits

M4 Corridor Location

'Contribute positively to the profitability and overall financial success of the business'

Our client, a UK market leader in the sales of electronic security products to major national and independent installers has a well established UK distribution operation. They have achieved significant growth and market share and will continue to base their strategy on providing competitive products and the highest quality services to be found in this fast growing market sector.

The role of Finance Director reports to both the Managing Director and also into the Group plc Finance Director. It is responsible for effectively driving the financial & accounting functions, related business and commercial processes, people, budgets and business & information systems. In addition it is to deal effectively with legal & commercial issues and to manage contractual relationships with customers and suppliers. A key challenge will be to maintain excellent financial controls whilst providing directional and financial information support to the rest of the management team, facilitating the achievement of their plans to exploit outstanding prospects to grow the business significantly.

The required candidate must possess:

- Relevant Qualifications to at least ACA or higher standard
- 5 Years + experience managing a full-function finance and accounting team
- Strong work ethic, delivering results in fast moving business (T/O £60m)
- Positive personality, good teamworker, self driven, assertive and persuasive
- Creative thinking and planning skills to provide innovative business solutions

Please write, quoting Reference IT877 and indicating your present salary, to our Advising Consultants at the address below.

CTA
Cathy Tracey & Associates Ltd,
Staverton House, 3-5 Easthampstead Road, Wokingham,
Berkshire, RG11 2EH. Tel: 0734 771100. Fax: 0734 771223

BUSINESS ANALYST

Our client, a major International Medical Equipment Business, with annual revenues in excess of over $1 billion is currently recruiting for a Business Analyst.

Experienced in driving business decisions forward in a highly commercial environment, you should be:

- French speaking
- A graduate with a recognised UK Accounting designation or equivalent experience
- 3-5 years in a broadly disciplined role within a manufacturing or service industry.
- Highly computer literate/strong analytical skills
- A team leader with excellent interpersonal skills.

As a high flying individual, you can expect rapid development towards a managerial role in the company's corporate Head Quarters in Paris.

Salary: c£26,000 plus benefits package.

Apply immediately and in confidence to:

Blaine Temple,
Profiles Agency Management,
61/63 High Street, Staines TW18 4QH
or Tel: 0784 466262

PROFILES AGENCY MANAGEMENT

(AGENCIES WELCOME TO RESPOND)

FINANCE DIRECTOR

FOR MEDIUM SIZED LONG ESTABLISHED LISTED COMPANY.

We are seeking someone with up to date City experience, a flair for financial engineering, and an understanding of real estate assets.

Remuneration package £75,000 plus usual benefits. Based Mayfair.

The names of those applying will not be divulged to our client without prior consultation and agreement.

Apply in writing to:

Epigram International Limited
(recruitment consultants)
The Coach House
52 Winterbrook Road
London SE24 9JA

Ref: FD/6 94

BUSINESS ANALYSTS

Mercury Communications is one of the fastest growing large companies in Europe. In little more than a decade, it has become an established world-leader in the telecommunications industry and has set new standards of customer service through the creative use of technology.

Proud of this success story, the company recognises the importance of controlling and sustaining growth through in-depth commercial analysis and rigorous financial planning.

Internal promotions have now created exciting opportunities within Business Planning and Development. With the focus on influencing commercial decision-making and maximising profit opportunities, responsibilities range from performance management, business forecasting and investment appraisal through to project implementation, planning, risk analysis and strategic development.

You will be a qualified Accountant with up to 3 years' post qualification experience, gained in a large corporate commercial environment. Applications are also invited from MBA's with a relevant background. Candidates must demonstrate problem solving skills, the ability to communicate across all business disciplines and the energy and flair to progress within a rapidly changing organisation.

Please apply directly to Jane Randell or Shelly Mitcheson at Robert Half, Walter House, 418 The Strand, London WC2R OPT. Telephone: 071-836 3545. Fax: 071-836 4942.

As retained consultants, any CVs submitted directly to our client will be forwarded to Robert Half.

Mercury COMMUNICATIONS

£27-32,000
+ Benefits
Milton Keynes

ROBERT HALF
FINANCIAL RECRUITMENT

FINANCIAL CONTROLLER

c£35,000
+ Car
+ Benefits
City

The opportunity has arisen for an ambitious finance professional to join a *major subsidiary of this quoted insurance broking group.* The company has a sound reputation as a key player in a competitive market sector and is well placed to take advantage of future developments.

Liaising closely with senior management, you will be responsible for all aspects of effective financial control, co-ordinating a small team and ensuring the timely reporting of complex management information, implementing changes where necessary.

Candidates will be professionally qualified with a minimum 2-3 years' post qualification experience, gained in a commercial environment. A background in the insurance broking sector is desirable, although not essential.

You must demonstrate a proactive, highly commercial approach to business and the potential to assume broader operational responsibilities in the longer term. Well-developed communication skills and a 'hands-on' management style are prerequisite.

Please apply directly to Jane Randell at Robert Half, Walter House, 418 The Strand, London WC2R OPT. Telephone: 071-836 3545, or evenings on 081-547 0380. Alternatively, fax your details on 071-836 4942.

ROBERT HALF
FINANCIAL RECRUITMENT

Director of Finance

Scarborough & NE Yorkshire NHS Trust

To £50,000 + Excellent Package **Scarborough**

Key corporate role for experienced finance professional in this major Trust at an important stage of its development.

THE TRUST
- Main health care provider for population of Scarborough and much of North East Yorkshire, providing full range of clinical, accident and emergency facilities.
- Ambitious and innovative organisation; forward thinking management team; annual spend £50m.

THE POSITION
- Contribute as a member of Trust Board to formulation and implementation of strategic plans which develop the Trust's business and services. Report to Chief Executive.
- Develop and implement full patient record and billing system as key management tool in provision of cost effective, high quality patient care.
- Lead and co-ordinate finance function and 70 staff.

QUALIFICATIONS
- Graduate/qualified accountant with at least 5 years experience at or near Board level.
- Strong commercial acumen with ability to plan and deliver in strategic context.
- Knowledge of information technology and experience of the development of information systems in a large organisation.
- First class people management and team building skills. Strong and accomplished presenter.

Please send full cv, stating salary, ref YN2751, to NBS, Prospect House, 32 Sovereign Street, Leeds LS1 4BJ

N B SELECTION LTD
a BNB Resources plc company

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FINANCE DIRECTOR

THE ROYAL COLLECTION

£40,000 plus benefits

The Royal Collection comprises some 10,000 pictures, 30,000 drawings and watercolours and 500,000 prints as well as many thousands of pieces of furniture, glass, porcelain, metal work, textiles and jewellery, including the Crown Jewels. It is held, on behalf of the nation, by The Queen as Sovereign.

The funding to maintain the Royal Collection is raised by the Royal Collection Trust and its trading subsidiary, Royal Collection Enterprises Limited. Turnover at present is approximately £15 million per annum with 350 full and part time employees.

Applications are invited from qualified accountants for the newly created post of Finance Director.

A full curriculum vitae should be submitted to

The Managing Director
Royal Collection Enterprises Limited,
St. James's Palace,
London SW1A 1JR.

The closing date for applications is the 19th July.

Recognised as one of the 'best run' corporations in today's computer industry, approaching $5bn, profitable and with operations across the globe, we've come a long way in only twelve years. This consistently rapid growth creates a continually changing environment which generates excitement and offers real freedom for our people to innovate, develop and progress.

Astute financial management has been a critical factor in our success and becomes even more vital as the scale and sophistication of our business increases. We need an exceptionally bright young finance manager who has a sound appreciation of the computer industry and a service mentality in contributing to business issues.

Financial Planning & Analysis Manager

Northern Europe

Based
Bagshot, Surrey

As a key manager in our Northern European Finance team you will have responsibility for all financial planning support to the region, ensuring the ongoing viability of our business model. In addition, you will run our commission accounting, working closely with senior functional managers.

Possessing a relevant degree, supported by an accountancy qualification or MBA, you will have advanced by promotion within a dynamic, business led environment where excellent interpersonal skills are highly valuable. Your broad experience will include deals analysis, budgeting, financial planning and effectively managing a team to achieve project goals.

Please send a comprehensive CV to Mike Roberts at Sun Microsystems Ltd, Bagshot Manor, Green Lane, Bagshot, Surrey GU19 5NL. Confidential fax: 0276 451509

Sun
Sun Microsystems Computer Corporation
The Network Is The Computer

Group Tax Manager

International PLC

West of London ***c £55,000 plus car***

Our highly regarded client is an international PLC with an annual turnover in excess of £800m. Following a recent successful rights issue and a reorganisation of the head office, this new position has been created to further strengthen the small, high profile group finance function.

This is a broad role which will involve you in all aspects of the group's financial management. Reporting to the Group Financial Controller, you will be responsible for coordinating the group's worldwide tax affairs and monitoring activity for monthly management accounting, budgeting, forecasting and statutory reporting. You will manage the group's relationships with external tax advisers and ensure that operational management are kept up to date on tax matters.

A chartered accountant, probably in your thirties, you will have trained with a major firm and have a good working knowledge of UK tax regulations and an awareness of international issues. A high level of intelligence and initiative and strong interpersonal skills are essential. Ambitious, with a broad outlook, you will have the potential to take advantage of opportunities for progression within the group.

BDO

To apply please send a full CV with salary details quoting ref 1735 to Richard Holland (071 489 6244).

BDO Consulting, 20 *Old Bailey, London* EC4M 7BH.

Venture Capital

SE Asia – Entrepreneurial Young Accountant

Superb salary, bens and options

Enjoying high growth and low inflation, Vietnam – acclaimed as Asia's best managed economy – offers virtually unrivalled investment prospects. With offices in Hanoi and Ho Chi Minh City, our client, one of the pioneers of foreign portfolio investment, manages a substantial investment fund dedicated to Vietnam.

In order to strengthen its team in Ho Chi Minh City, the company requires a highly commercial young finance specialist who will play a key part in driving the success of the operation. *The role focuses on researching and evaluating* investment opportunities, presenting financial analyses and recommendations to the Investment Committee, structuring, negotiating and closing deals and monitoring the finances and performance of investee companies – often as a member of the Board. Other responsibilities include internal financial control, *producing accounts, compliance with relevant regulatory* authorities, training local or expatriate accountants and carrying out company secretarial responsibilities.

As part of a small team, the ideal candidate, aged 27-35, will combine the energy, resourcefulness and initiative to move deals forward with the patience to overcome delays and problems intrinsic within the region. Liaising with Directors, local employees and professional advisors, excellent communication and negotiation skills will be essential. Candidates, who are likely to be ACA/ACCA qualified, must have a strong finance background and good PC based computer skills together with the ability to evaluate unlisted companies, prepare financial forecasts and structure investments.

An outstanding opportunity to become involved in and to benefit from one of the world's most exciting growth areas, the remuneration package is superb – in addition to an excellent salary, housing allowance and related benefits, there is an attractive options scheme offering the potential to make substantial capital gains.

Interested applicants should send or fax their CV quoting ref 073 or contact us on 071 329 4649, or during the evenings and weekends on 071 231 6272.

ALDERWICK CONSULTING
SEARCH & SELECTION
OLD BAILEY HOUSE, 7 OLD BAILEY, LONDON EC4M 7NB. TEL: 071-329 4649 FAX: 071-329 4677

TOTAL QUALITY MANAGEMENT:

Business Analysis/Business Process Re-engineering

London **Circa £40K + Financial Sector Benefits**

is the leading specialist provider *of investment capital to unquoted* businesses in the UK. They seek an outstanding internal consultant to provide critical infra structural support during their transformation into a leading public company.

This hybrid role requires skills that can encompass business user-needs analysis, business process re-engineering and effective implementation skills. Strong competencies in structured project management, financial control and business planning should be supplemented with attributes of commercial acumen, consultative interpersonal skills, lateral thinking plus initiative combined with the discipline to complete/finish.

You may be a graduate ACA or an MBA *or other equivalent.* You may be currently in a major consultancy/ Accountancy firm, software house, financial institution or facilities provider. You are seeking a vehicle for your first senior line role and the opportunity to progress. You will report to the 3i Director heading up Business Analysis. Seldom is there an opportunity to be in the right place at the right time to do the right thing. *This is one such opportunity!*

To apply please write with a full CV quoting ref: 3057/FT to Adrian Wheale or Tony Hodgins, WTH Executive Resourcing, 13 Berkeley Square, Clifton Bristol BS8 1HG.

WHEALE · THOMAS · HODGINS · PLC

Finance Manager

Mine & Process Plant Africa - Tax Free

A world leading multinational needs an experienced senior accountant who can fit into an expat management team and run the complete Finance & Administration operation, including security. Suits an individual who loves *nature, the bush, the sea and who has* the mentality to enjoy the life and *challenge for at least 14-18 months.* This could be a career position in Africa and elsewhere. Position open in August, urgently fax CV/application with telephone contacts.

Ref: 353 to Thorburn-Geiger Group,
Fax: 071 283 1131 or mail to
Box 1225, 1001 Lausanne, Switzerland,
Fax: (+4121) 616 1042

APPOINTMENTS ADVERTISING
appears in the UK edition every
Wednesday & Thursday
and in the International edition
every Friday
For further information
please call:
Gareth Jones on
071 873 3779
Andrew Skarzynski on
071 873 4054

Accountant

Swiss Re (UK) is one of the major reinsurance companies based in the City of London *and is part of the worldwide Swiss Re Group.*

Swiss Re (UK) has recently taken on ownership of *SR International, a direct* insurance company and, as a result of this, we need to recruit an ambitious, qualified accountant to join our team.

Reporting to the Group Accountant, your main duties will include the production of financial statements, statutory and trade returns and tax computations relating to SR International. You will also produce regular management information and ensure that SR International complies with all regulatory requirements, both in Europe and the United States.

The successful candidate will be a qualified accountant with at least 2 years' post-qualification experience in the insurance market, and with a strong track record of *personal and professional achievement.* You will be familiar with US and European regulatory requirements, and company *secretarial experience would be* advantageous. You must be able to demonstrate good communication skills and be comfortable dealing with senior management. Above all, you will display the potential *to develop and the ability to take on a wider role in the future.*

A competitive salary will be *offered, together with an excellent* benefits package, including car.

To apply, please send your c.v. stating current salary and day time telephone number to: Martin Hibbs, Personnel Officer, Swiss Reinsurance Company (UK) Ltd, *71-77 Leadenhall Street, London EC3A 2PQ.*

Swiss Re (UK)